

AN IMPORTANT NOTE FOR ALL EMPLOYERS

REMEMBER: YOU MUST RECONCILE YOUR EMPLOYEE WAGES AMOUNTS AT THE END OF THE FINANCIAL YEAR BETWEEN YOUR BAS'S, WAGES RECORDS AND THE PAYG SUMMARY YOU SEND THE ATO.

The ATO have found this is a high error area of reporting to them by employers.

Prior to lodging your June 30th BAS statement it is **EXTREMELY IMPORTANT** that you take the time to cross check the totals of employee gross wages including any allowances and tax withheld in your wages records against the totals of the amounts you have reported for that financial year in your BAS's at W1 (Gross employee wages including allowances) and W2 (tax withheld from employee wages).

If there are any differences you need to go back and find out why **prior to sending off your June Quarter BAS and preparing your employee PAYG summary statement and (group certificates) for that year.**

Why?

The ATO runs a matching process to make sure that data lodged through W1 & W2 on your BAS equals the amounts shown on your employee PAYG summaries. Any discrepancies can trigger an ATO audit enquiry and/or amendment with penalties for any underpaid amounts.

To check your wages figures are correct simply complete the details in the table below and once reconciled keep this completed record with a copy of your PAYG summary and PAYG group certificates.

TABLE A

Employee Name	Gross Wages	Tax Withheld
1.		
2.		
3.		
Totals Table A		

TABLE B

BAS PERIOD	Amount Reported at W1	Amount Report at W2
July to September		
October to December		
January to March		
April to June		
Totals Table B		

Once the totals of both Table A & B equal you can go ahead and complete your PAYG Wages summary form for the ATO and employee PAYG summaries with the confidence that your figures reconcile correctly.

By taking the time to complete your wages to BAS reconciliation as outlined above any errors can be identified and an adjustment can be prepared to your figures prior to lodging your June 30th BAS. This ensures that you are issuing both the ATO and your employees with the correct information.

You will also be saving yourself significant time and cost which would be associated with going back and identifying errors and preparing adjustments.

Superannuation payments

The ATO require that you include all superannuation paid for an employee **above the super guarantee rate (2013/14 year is 9.25% on ordinary time earnings)** in the box headed Reportable Superannuation Payments on the PAYG employee summary (group certificate), but you don't include the super guarantee amount paid in this box.

The Simple Alternative

If you are unable to reconcile the amounts or you simply do not have the time then your best option is to provide us with the information and we will promptly complete this task for you.