

# FLOWERS EDDY CPA

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## Practice Update

Please read this update  
and contact this office  
if you have any queries

WINTER 2020

### ATO reminder for employers – Finalise STP data for 2020

The ATO has issued a reminder to employers who report through Single Touch Payroll ('STP') – which should be all employers, unless an exemption or deferral applies – that they will need to finalise payroll information for the 2020 income year by making a declaration.

The due date for making finalisation declarations is:

- 14 July 2020 for employers with 20 or more employees; and
- 31 July 2020 for employers with 19 or fewer employees.

Employers that finalise through STP are not required to provide payment summaries to employees and lodge a payment summary annual report to the ATO.

Instead, employees will be able to access their payroll information (for preparation of their 2020 tax return) through a registered tax agent or via ATO online services.

*Editor: Please contact our office if you require more information on finalising STP data.*

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### Guidance on JobKeeper reporting via STP

The ATO has issued guidance to help employers reporting eligible employees and JobKeeper top-up payments through Single Touch Payroll ('STP').

For each eligible employee, employers must notify the ATO:

- when an eligible employee started being paid JobKeeper payments;
- top-up payments to employees earning less than \$1500 per fortnight; and
- when an employee is no longer eligible and JobKeeper payments need to be stopped.

The ATO says this process will be managed through the 'STP Pay Event' by entering the relevant JobKeeper description (as outlined below) in the 'Other Allowances' field.

#### To report the JobKeeper start fortnight for an eligible employee:

Use the description 'JOBKEEPER-START-FNXX' where 'XX' represents the JobKeeper fortnight from which the first payment is made.

Report the amount as 'zero', or as \$0.01 if the software does not support reporting 'zero'.

#### To report a top-up payment for an eligible employee ordinarily earning less than \$1,500 per fortnight:

Use the description 'JOBKEEPER-TOPUP' for the top-up amount.

#### To report the first full JobKeeper fortnight an employee became ineligible:

Use the description 'JOBKEEPER-FINISH-FNXX' where 'XX' represents the JobKeeper fortnight in which the last payment is made.

For example, an employee resigns, and their last payment was on 13 May 2020. As this falls in JobKeeper fortnight 04 (being 11/05/2020 – 24/05/2020), the description 'JOBKEEPER-FINISH-FN04' should be used to notify the ATO that the employee is not eligible for JobKeeper from FN05.

### **Making corrections to (previously reported) JobKeeper start and finish information**

The ATO's guidance identifies several situations where errors made in reporting the JobKeeper start or finish information may need correction and sets out options for doing so.

In particular, guidance is provided for making corrections where:

- the wrong employee was reported as starting or finishing;
- a later start or finish fortnight is incorrectly reported;
- an earlier start or finish fortnight is incorrectly reported; or
- a future-dated start or finish fortnight is reported.

The ATO is urging employers to exercise extreme caution to ensure the accuracy of originally reported information as multiple corrections cannot be made through the STP Pay Event, 'Other Allowances' field.

*Editor: Please contact our office if you require more information or assistance on reporting JobKeeper payments through STP.*

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### **Shortcut method to claim deductions if working from home**

As the situation around COVID-19 continues to develop, the ATO understands many employees are now working from home. To make it easier when claiming a deduction for additional running costs you incur as a result of working from home, special arrangements have been announced.

A simplified method has been introduced that allows you to claim a rate of 80 cents per hour for all your running expenses, rather than having to calculate the additional amount you incurred for specific running expenses.

This simplified method will be available to use from 1 March 2020 until 30 June 2020. You may still use one of the existing methods to calculate your running expenses if you would prefer to.

You can claim a deduction of 80 cents for each hour you work from home due to COVID-19 as long as you are:

- Working from home to fulfil your employment duties and not just carrying out minimal tasks such as occasionally checking emails or taking calls; and
- Incurring additional deductible running expenses as a result of working from home.

You do not have to have a separate or dedicated area of your home set aside for working, such as a private study.

*Editor: Please contact our office if you need more information about this deduction.*

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### **New super guarantee amnesty**

On 6 March 2020, the government introduced a superannuation guarantee ('SG') amnesty.

This amnesty allows employers to disclose and pay previously unpaid super guarantee charge ('SGC'), including nominal interest, that they owe their employees, for quarter(s) starting from 1 July 1992 to 31 March 2018, without incurring the administration component (\$20 per employee per quarter) or Part 7 (double SGC) penalty.

In addition, payments of SGC made to the ATO after 24 May 2018 and **before 7 September 2020** will be tax deductible.

Employers who have already disclosed unpaid SGC to the ATO between 24 May 2018 and 6 March 2020 don't need to apply or lodge again.

Employers who come forward from 6 March 2020 need to apply for the amnesty.

The ATO will continue to conduct reviews and audits to identify employers not paying their employees SG.

Please Note: Many of the comments in this publication are general in nature and anyone intending to apply the information to practical circumstances should seek professional advice to independently verify their interpretation and the information's applicability to their particular circumstances.