



# March Tips

Welcome to our March 2021 Newsletter. The information is general in nature and advice should be sought for your own personal circumstances. Some of the below will be of more interest to individual clients, while other parts will be of use to businesses.

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## **PAY HEALTH INSURANCE PREMIUMS BEFORE 31 MARCH TO SAVE**

If cashflow permits, consider paying a lump sum towards your personal health insurance premiums to lock in the current year rates before they increase on 1 April. Contact your insurance provider ASAP to enquire further on this.

## **HAVING PRIVATE HEALTH COVER**

You may be required to pay the Medicare Levy Surcharge if, during any period of the year, your family did not have an appropriate level of private patient hospital cover, and your income is above a certain amount, currently \$90,000 for singles and \$180,000 for families. A family unit for MLS purposes includes you, your spouse, and dependant children (regardless of their income). The surcharge doesn't cover you for healthcare, and can be more expensive than the cost of health insurance (between 1.0-1.5% of your taxable income, reportable fringe benefits, and any amount on which family trust distribution tax has been paid).

Please review the family income thresholds [here](#), more information on family units [here](#), and consider whether your family has appropriate hospital cover to avoid having to pay the Medicare Levy Surcharge at tax time.

### **LIFETIME HEALTH COVER (LHC) LOADING**

Lifetime Health Cover (LHC) is a Government initiative that started on 1 July 2000 which aims to encourage people to take out hospital cover earlier in life and to maintain it. If you do not have hospital cover on your LHC base day (in most cases the later of 1 July 2000 OR the 1st July following your 31st birthday), then decide to take out hospital cover later in life, you will pay a 2% loading on top of your hospital premium for every year you are aged over 30 (which can be removed after 10 continuous years of hospital cover with LHC loading). You can avoid paying this loading if you take out hospital cover with an Australian registered health insurer before your Lifetime Health Cover base day and maintain this hospital cover. For more information see [here](#).

### **PRIVATE HEALTH REBATE TIERS**

Most Australians with private health insurance currently receive a rebate from the Australian Government to help cover the cost of premiums. This rebate is age and income tested, applies to hospital, general treatment and ambulance policies (but not overseas visitors health cover), with rebates ranging from 0%-33.413%.

Rates change between tiers for singles earning <\$90K, <\$105K, <\$140K, and above \$140K, or families earning <\$180K, <\$210K, <\$280K, and above \$280K. We recommend you check your declared income if you're claiming the rebate direct through your insurer for reduced premiums, especially if you're close to a threshold (to avoid a tax bill). You can otherwise claim the rebate as part of your tax return to receive the benefit as a tax offset, and be sure you're on the right rebate tier. For more information, see [here](#).

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### **MYOB ACCOUNTRIGHT 2021.1**

AccountRight is easier to access and use than ever, using the desktop program or now the option to use in a web browser, with the latest update bringing further enhancements to superannuation payments, auto program updates, and more. For more information, click [here](#). If you need to access the installer download, get in touch with us!

### **MYOB EXPENSE TRACKING**

MYOB is making it easier to manage expenses with three easy ways to **send your bills and receipts directly to your software by:**

- Dragging and dropping bills into the In Tray
- Forwarding them by email direct to your In Tray
- Using the [MYOB Capture app](#) to scan and send documents (included FREE with your current MYOB Essentials or AccountRight subscription)

Once your documents are in your software, they can be matched to bank transactions, automating hours of manual data entry. Plus, MYOB have partnered with large suppliers like Bunnings, Officeworks, Reece and Caltex to have their invoices sent straight into your MYOB file. Easy!

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### **ARE YOU COVERED?**

Are your current insurance policies adequate? We can arrange quotes for you on a range of insurances including tax audit, public liability, cyber-crime and personal sickness & accident. Contact us to enquire.

### **STAMP DUTY ON NSW INSURANCES**

For small business (<\$2M turnover), certain types of general insurance are exempt from stamp duty, including commercial vehicle or aviation insurance, occupational indemnity insurance, and product and public liability insurance. If you qualify for the exemption and you've been charged duty on exempt insurance issued or renewed after 1 January 2018, you're entitled to a refund of the duty paid. Contact your insurer to find out the process. You'll also likely need to contact your insurer each renewal period to request the stamp duty exemption be applied. For more information and qualifying criteria, see [here](#).

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### **SUPERANNUATION CONTRIBUTIONS**

The 30 June cut-off for superannuation credits to be received by funds this financial year is fast approaching. The general concessional contributions cap is currently \$25,000 for all ages. This limit includes ALL amounts paid per person for super on which a tax deduction has been claimed, such as SGC, salary sacrifice and additional employer super amounts. Any credits received by the super fund after 30 June will count towards the following year's cap, so be sure to make any super payments **well before 23 June** to account for processing times. Businesses can only claim a deduction this year for super paid this year, not on accrued super. If you need any assistance in processing super in advance or calculating payments within contribution limits, please contact us.

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### **HEAVY COMMERCIAL TRANSPORT**

Heavy commercial transport helps keep our economy running smoothly, but there's a lot that can go wrong if you're running a transportation business. Do you know who is at the wheel? What happens when there is inadequate journey planning? Find out more [here](#).

## **PANDEMIC WORKING PRACTICES THAT ARE HERE TO STAY**

The COVID-19 pandemic has changed the way Australia works. Remote working, flexible hours, casual attire, an expansion of e-learning and a resilient business model have become the new normal. Find out more [here](#).

### **WANT TO GET PAID FASTER BY YOUR CUSTOMERS?**

Become a merchant with Moula Pay to offer a buy now, pay later payment option to your customers and get paid sooner. Moula Pay is a smarter way for your customers to fund business purchases with you while better managing their cashflow, with 12 months to repay and the **first 3 months interest and repayment free**, and a credit limit up to \$250,000. Contact us to enquire further.

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## **RECORD KEEPING**

Good record keeping is important to track performance, meet reporting responsibilities, and access finance, and a number of records need to be retained for multiple years after they are made, after the transaction is complete, or after the relevant financial year has come to a close. [Australian Securities and Investment Commission \(ASIC\)](#) and the [Fair Work Ombudsman \(FWO\)](#) require documents to be kept for at least 7 years, while the [Australian Tax Office \(ATO\)](#) requires documents be kept at least 5 years, but in some cases longer, such as when assets are depreciated over time. Read the full article [here](#).

## **CAR LOG BOOKS**

Log books for non-commercial vehicles such as sedans and SUVs should be checked to ensure they meet the substantiation requirements, which generally means a logbook for 13 weeks every 5 years, tracking all the expenditure separately to commercial vehicle expenditure and taking odometer readings on 31 March and 30 June each year.



### **CHECK WHO IS SUBCONTRACTING TO YOU**

We recommend you carefully review the credentials of your subcontractors. If they are Pty Ltd companies they should have workers compensation and public liability insurance policies. If they are not companies, or if they work alone, they could be “deemed employees” and you may be liable to pay workers compensation, payroll tax and superannuation on their behalf, depending on various factors.

In certain situations, a contractor may need to be paid super like an employee. If you engage contractors it is important you familiarise yourself with the [rules](#) on super and super guarantee.

Payments to contractors can also be liable for payroll tax in some cases. Click [here](#) for more information.

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### **PREPAYING EXPENSES**

If cash flow permits, businesses should consider prepaying some expenses (up to 12 months in advance) or buying non-depreciable plant & equipment in order to maximise their tax

deductions in the current financial year. Expenses could include computers, materials, rent, advertising, insurance, electricity, stationery and lease payments.

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### **BOOKING APPOINTMENTS**

If you haven't yet made an appointment for your end of year STP payroll finalisation, get in touch with me now at [diana@lizardfinancial.com.au](mailto:diana@lizardfinancial.com.au).

### **BAS REMINDER**

BAS for March will be due 21 April 2021 for monthly remitters and 28 Apr 2021 for quarterly remitters. If I lodge your BAS for you, the quarterly one will be due 26 May 2021.



All efforts have been made to ensure accuracy of this information at the time of publication. You should, however, verify the accuracy of any information, and get advice on your personal circumstances, before taking any action in relation to newsletter articles.