

EOFY Tips

Welcome to our End of Financial Year 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. Please use the below table of contents for ease of finding the information most applicable to you.

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Do you or your friends have outstanding tax returns? Now is the time to get them done! Between now and 30 June, if you engage us to prepare two or more tax returns, we will give you a discount of 5% per year that it is overdue. So for a 2019 tax return, you get a 5% discount, 2018 10%, 2017 15% and so on.

We are excited to announce that, as our business is expanding, we will be working with another accountant from the new financial year onwards. We'll introduce you to them once they are on board. If you have any friends or family that would like to become a client of ours we will be taking on new clients and working together to provide you the same great service as always.



[\\$1,500 SMALL BUSINESS FEES AND CHARGES REBATE](#)

As part of the COVID recovery program, the Small Business Fees and Charges Rebate can help you with the cost of state and local government fees and charges incurred from 1 March 2021 through to 30 June 2022.

Eligible businesses and not-for-profits only need to apply for the rebate once by can submit multiple claims until the full value of \$1,500 is reached.

It can be used to offset eligible costs that are in your business name including licencing, council rates and business vehicle registrations (not fines or penalties).

[Apply Now](#)

[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.

[BOOKING APPOINTMENTS FOR STP](#)

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.

[SUPERANNUATION GUARANTEE](#)

Having been the same 9.5% rate since 2014, from 1 July 2021 rates of super guarantee will enter a transition, slated to increase by 0.5% each financial year until 2025. The new rate of super required to be paid for the 2021/22 financial year is **10%**.

If you need assistance updating this in your payroll software for next financial year, let us know. For more information, head [here](#).



[NEW MYOB FEATURES](#)

Link a credit or debit card to a business in AccountRight to batch-pay eligible expenses in one transaction:

- Use a credit card to pay non-credit accepting suppliers
- Manage payment authorisation and approvals
- Minimise human error

Reporting:

- removed date range restriction on more reports, allowing you to run multi-period balance sheet and profit and loss reports across unlimited date ranges

[Sign Up](#)

STAMP DUTY ON NSW INSURANCES

For small business (<\$2M turnover), certain types of general insurance are exempt from NSW 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](#).



**Up to \$50,000
to help business
recover from
floods**

Start application

SERVICE NSW FLOOD DISASTER SMALL BUSINESS RECOVERY GRANT

If the recent NSW floods and storms have directly impacted your business, you may be eligible for the NSW Government's Flood Disaster Recovery Small Business Grant of up to \$50,000. The grant is available for small businesses or not-for-profit organisations directly impacted by the NSW storms and floods from 10 March 2021 onwards.

It can help pay for costs associated with flood clean up and getting your business back up and running, such as clean up, leasing temporary premises, replacing lost or damaged stock, tradespeople, hiring equipment, safety inspections, and more.

For more information on eligibility and the documentation you'll need to apply, click [here](#).



[EXPORT ASSISTANCE GRANT](#)

If you have an exporting business with a minimum of three full-time equivalent employees, you could be eligible for a NSW Government Export Assistance grant up to \$10,000. Funds can be used for marketing materials, making your website international, or pivoting to online delivery.

You could be reimbursed 50% of eligible expenses incurred since 1 January 2020 up to \$10,000 if your application is successful. Act fast!

[Apply Now](#)

[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.

[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](#).

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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**“I have some paperwork to catch up. If I’m not back
in two days, organize a search and rescue team!”**

Individual Tips

FAMILY TAX BENEFIT

If you don't claim fortnightly family tax benefit payments via Centrelink but are eligible for a lump sum payment, to be assessed for payment you need to claim using your [Centrelink online account](#) with [myGov](#) or lodge a manual [Lump Sum Claim form](#). The deadline for 2019/20 year claims is 30 June 2021.

FEDERAL BUDGET SUMMARY

The latest budget released can be viewed in full detail [here](#), but some of the items of interest are:

- the low and middle income tax offset has been extended an additional year, providing tax cuts up to \$7,020 for singles and \$14,040 for couples in total across 2018 to 2022 tax years
- Under the First Home Super Saver Scheme, the maximum that can be withdrawn from additional (voluntary) superannuation payments is increasing from \$30K to \$50K, effective 1 July 2022
- Family Home Guarantee is a new scheme providing 10,000 guarantees over 4 years to eligible single parents with dependants to build a new home or purchase an existing home with a deposit as little as 2%. Further information on this will be released closer to the start date 1 July 2021
- Reforms to the superannuation work test will mean that from 1 July 2022 individuals aged 67 to 74 will no longer be required to meet the work test when making or receiving non-concessional or salary sacrificed super contributions
- Under a downsizer contribution, from 1 July 2022 persons aged 60 and above will be able to make a post-tax contribution to super of up to \$300K per person when they sell their family home (minimum age reduced from 65)

SUPERANNUATION CONTRIBUTION CAPS

Concessional contributions are contributions that are made into your super fund before tax. They are taxed at a rate of 15% in your super fund. From 1 July 2017 to 30 June 2021 the

concessional cap for each financial year is \$25,000. From 1 July 2021 this cap will increase to **\$27,500** (as a result of indexation in line with average weekly ordinary time earnings). Your cap may be higher if you did not use the full amount of your cap in earlier years, and you can check your available concessional contributions cap on ATO online services (via [MyGov](#)).

Non-concessional contributions are made from your after-tax income, and not taxed further in your super fund. From 1 July 2017 to 30 June 2021 the non-concessional contributions cap is \$100,000. From 1 July 2021 this cap will increase to \$110,000. If you contribute more you may have to pay extra tax.

Your own cap may be higher (if you can use the bring-forward rule), or nil (if your total super balance is more than \$1.6M for 2017-21 or \$1.7M from 2021-22).

If you have more than one fund, the total of all contributions made during a financial year count towards your cap. Head [here](#) for more information on concessional caps, and [here](#) for more on non-concessional contributions.

[BANKSTATEMENTS.COM.AU](#)

We've recently started subscribing to illion BankStatements as a secure automated service which allows you to quickly submit bank statements to us for review. For information on how it works, benefits for you, security, and privacy, see the fact sheet on this useful service [here](#). If you'd like to make use of this service, let us know.

[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 plus 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](#).

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. If you use your car for work, ensure you have completed your log book and that you have met the substantiation requirements.



DONATIONS

If you are thinking of donating money to charity, you may be able to receive a tax deduction by making a donation in the current financial year. Check whether your donation will be deductible by searching the Deductible Gift Recipient (DGR) status of the recipient on the ABR [here](#).

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.

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