

EOFY Tips

Welcome to our End of Financial Year 2022 Newsletter. The information is general in nature and advice should be sought for your own personal circumstances.

We are excited to announce that another accountant has joined our team. James Forbes is a fully-qualified and experienced tax agent, and a lovely person, and he is looking forward to getting to know you. 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. You may notice some changes with our branding as we transition to a new practice structure and more information will be given on that shortly. Welcome James 😊

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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Business Tips

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 \$27,500 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 the end of the financial year to account for processing times (**Xero have noted a cut-off of today 14 June, while MYOB super should be processed prior to 23 June**). 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.



**New rebate
to support
small business**

Apply now

\$3,000 SMALL BUSINESS FEES AND CHARGES REBATE

Don't forget to claim the NSW Small Business Expenses rebate if you're entitled to it and have eligible expenses. Applications close 24 June 2022, claims close 30 June 2022. Eligible businesses and not-for-profits only need to apply for the rebate once but can submit multiple claims until the full value of \$3,000 is reached.

It can be used to offset eligible costs that are in your business name including licencing, tolls and business vehicle registrations (but not fines or penalties). Read all about it [here](#).

[Apply Now](#)

[BOOKING APPOINTMENTS FOR STP](#)

If you haven't yet booked in for EOY Payroll Finalisation through our [Calendly](#), we will conduct this remotely for you. It generally takes around an hour but may take longer if you have a large payroll or if your payroll doesn't balance. Ideally this is done between your last pay for 2022 and first pay for 2023, and we will finalise your employees' Income Statements as part of the process.

[Book Remote STP Finalisation](#)

[SUPERANNUATION GUARANTEE CHANGE](#)

Super guarantee is slated to continue to increase by 0.5% each financial year until 2025. The new rate of super required to be paid from 1 July for the 2022/23 financial year is **10.5%**, and the \$450/month minimum has been removed. We will update this on your software if we are doing your end of year Payroll Finalisation, but if not and you need assistance updating this in your payroll software for next financial year, let us know. For more information, head [here](#).



[NEW MYOB FEATURES](#)

Superannuation changes:

- a new option has been added to super payroll categories to help automate the super rate increase for pays dated 1 July onwards
- the \$450 super earnings threshold is automatically removed from super calculations for pays dated 1 July onwards
- the correct ATO reporting category is now set as the default for all super guarantee payroll categories, helping you stay compliant with ATO super reporting

There are also additional API and performance improvements, and bug fixes.

[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](#).

[OTHER GOVERNMENT GRANTS](#)

Wanting to claim a government grant? You might find what you're looking for [here](#)!

[View Available Grants](#)

[OTHER EOFY TASKS FOR BUSINESSES](#)

- Stocktake as at 30 June
- Log books - take note of odometer on 30 June and total up the pages in each log book
- Review your Profit & Loss report, and if you've been profitable consider making any purchases you need prior to 30 June to maximise your deductions in this financial year. Pre-payment of expenses could include computers, materials, rent, advertising, insurance, electricity, stationery and lease payments.

[WHAT IS INSOLVENCY?](#)

Insolvency is when a company or person is unable to pay debts when they are due. The most common corporate insolvency procedures for an **insolvent company** are: [liquidation](#), [voluntary administration](#) and [receivership](#)

The available personal insolvency procedures for an **insolvent person** are: [bankruptcy and personal insolvency agreements](#)

In the 2021/22 Budget, the Government announced that it would undertake an independent review of the insolvent trading 'safe harbour' established under the *Treasury Laws Amendment (2017 Enterprise Incentives No. 2) Act 2017*, which provides protection for company directors from personal liability for insolvent trading if the company is genuinely attempting to restructure. The overarching aim of the safe

harbour is to encourage directors to seek advice early on how to restructure and save financially distressed but viable companies, rather than closing down prematurely to avoid personal liability. This supports a culture of entrepreneurship and innovation, by providing breathing space for distressed businesses. Read the full report and government response [here](#).

OUR PRIVACY STATEMENT

A reminder that our Privacy Statement is on our website [here](#)

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.



“We’re trying to put the fun back into filing taxes.”

Individual Tips

TAX BOOKINGS

Book in with us to do your tax after 30 June [here](#). Note: the tax office don't usually start processing refunds until after 16 July, and most employers, health insurance providers, and financial institutions don't finalise their ATO reporting until mid July or later.

[Book in to do your Tax](#)

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 2020/21 year claims is 30 June 2022.

SUPERANNUATION DEDUCTIONS

Are you planning to claim a deduction for superannuation payments? Payment must be credited to your super fund account by 30 June, and many funds have processing cut-off dates, so make any final payments ASAP. Prior to your tax return being done you also need to lodge a 'notice of intention to claim' form with your fund – we can assist with this.

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 2021 this cap increased to **\$27,500**.

Individuals making contributions on or after 1 July 2021 who exceed their cap no longer incur an [Excess Concessional Contributions \(ECC\) charge](#).

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 2021 this cap increased 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.

[FIRST HOME SUPER SAVER \(FHSS\) SCHEME](#)

The first home super saver (FHSS) scheme allows you to save money for your first home inside your super fund. This will help first home buyers save faster with the concessional tax treatment of superannuation.

Eligible purchasers can currently apply to have a maximum of \$15,000 of *voluntary* contributions from any one financial year included to be released under the FHSS scheme, up to a total of \$30,000 contributions across all years, plus an amount of earnings that relate to those contributions.

From 1 July 2022, this maximum releasable amount across all years will increase from \$30,000 to \$50,000, with the max per financial year remaining at \$15,000. Read more [here](#).

[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%-32.812%.

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



OTHER EOFY PREPARATIONS

Other things you can do to prepare for the end of financial year:

- consider paying for tax-deductible work items by 30 June, e.g. work uniforms or self-education
- make tax-deductible donations. Check whether your donation will be deductible by searching the Deductible Gift Recipient (DGR) status of the recipient on the ABR [here](#).

SEARCH REBATES AND SAVINGS IN YOUR STATE

[NSW](#)

[VIC](#)

[QLD](#)

[ACT](#)

[SA](#)

[WA](#)

[TAS](#)

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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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