

## New measures applying from 1 January 2021

The Government has provided an update of a number of new measures which came into effect from 1 January 2021, including (among others):

- ❑ The most significant changes to Australia's insolvency framework in 30 years, which are intended to reduce costs, cut red tape and help more small businesses recover from the pandemic. The reforms introduce a new, simplified debt restructuring process. These measures apply to incorporated businesses with liabilities of less than \$1 million — covering around 76% of businesses subject to insolvencies today, 98% of which have less than 20 employees.
- ❑ Australians will have more power to choose their own superannuation fund: 'Your Superannuation, Your Choice' allows around 800,000 Australians to decide where their retirement savings are invested, representing around 40% of all employees covered by a current enterprise agreement.
- ❑ The Government's HomeBuilder program has been extended to 31 March 2021. The scheme is expected to support the construction or major rebuild of an additional 15,000 homes.

## Shortcut rate for claiming home office expenses extended

The ATO has extended (again) the ability to utilise the "shortcut rate" for claiming home office running expenses to 30 June 2021 (it previously only applied until 31 December 2020).

The ATO's guideline allows certain taxpayers to claim a fixed rate per hour (80 cents per hour) for most additional running expenses incurred when working from home by keeping a record of the number of hours they have worked from home, rather than needing to calculate specific running expenses.

The expenses included in the shortcut rate include lighting, heating, cooling and cleaning costs, the decline in value and repair of home office items (such as furniture and furnishings in the area used for work, computers and laptops, etc.), and phone and internet expenses.

However, the guideline does not cover "occupancy expenses", such as rent, mortgage interest, property insurance and land taxes.

## JobMaker Hiring Credit scheme: Claims open from 1 February 2021

The JobMaker Hiring Credit is being administered by the ATO and provides a wage subsidy payment directly to employers as an incentive to employ additional job seekers aged 16 to 35 years.

Registrations for the JobMaker Hiring Credit scheme opened on 7 December 2020 and claims for the first JobMaker period can be made from 1 February 2021, provided employers are registered and meet all eligibility requirements.

Employer eligibility requirements include that applicants:

- are up to date with their tax and GST lodgment obligations for the last 2 years;
- have not claimed JobKeeper payments for a fortnight that started during the JobMaker period; and
- are reporting through Single Touch Payroll.

The ATO will be writing to employers who have registered for the JobMaker Hiring Credit from 15 January 2021, encouraging them to check that they meet all JobMaker Hiring Credit eligibility criteria before they claim, to ensure that registrants can make a claim from 1 February 2021 and there are no delays in them receiving their payments.

*Editor: Please contact us if you need any help with these claims.*

## Changes to STP reporting concessions from 1 July 2021

Small employers (19 or fewer employees) are currently exempt from reporting 'closely held' payees through Single Touch Payroll ('STP'). Also, a quarterly STP reporting option applies to micro employers (four or fewer employees). These concessions will end on 30 June 2021.

The STP reporting changes that apply for these employers from 1 July 2021 are outlined below.

### Closely held payees (small employers)

From 1 July 2021, small employers must report payments made to closely held payees through STP using any of the options below. Other employees must continue to be reported by each pay day.

A 'closely held payee' is an individual who is directly related to the entity from which they receive payments. For example, this could include family members of a family business,

directors or shareholders of a company and beneficiaries of a trust.

Payments to such payees can be reported via STP (from 1 July 2021) using any of the following options:

- 1. Report actual payments on or before the date of payment.**
- 2. Report actual payments quarterly** on or before the due date for the employer's quarterly activity statements.
- 3. Report a reasonable estimate quarterly** on or before the due date for the employer's quarterly activity statements. Note that consequences may apply for employers that under-estimate amounts reported for closely held payees.

Small employers with only closely held payees have up until the due date of the payee's tax return to make a finalisation declaration. Employers will need to speak with these payees about when their individual income tax return is due.

### **Micro employers**

From 1 July 2021, the quarterly reporting concession will only be considered for eligible micro employers experiencing 'exceptional circumstances'.

Common examples of when the ATO would generally consider it to be fair and reasonable to grant a deferral due to exceptional or unforeseen circumstances include natural disasters, other disasters or events, serious illness, or death.

Additionally, 'exceptional circumstances' for access to the STP quarterly reporting concession from 1 July 2021 may include where a micro employer has:

- seasonal or intermittent workers; or
- no or unreliable internet connection.

The ATO says it will consider any other unique circumstances on a case-by-case basis.

It should be noted that registered agents must apply for this concession and lodge STP reports, quarterly, on behalf of their eligible micro employer clients.

The STP reports are due the same day as the employer's quarterly activity statements.

If an employer prefers to report monthly, the STP reports must be lodged on or before the 21st day of the following month.

Finalisation declarations will need to be submitted by 14 July each year.

*Editor: Please contact our office if you require more information or assistance with these STP reporting options.*

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.