



More than just numbers

We grow with your business



THE CP CATCHUP

WELCOME TO THE FOURTEENTH EDITION OF THE CP CATCHUP

OCTOBER 2014

Please check out our website at www.cpnnumbers.com.au and don't forget to follow us:



ASIC Fee Changes as at 1 July 2014

ASIC fees under the corporations, credit and business name regulations were increased on 1 July 2014 based on the Consumer Price Index (CPI) for the March quarter 2014. Here are examples of some common company fees:

- Change of company name \$ 377
- **Late payment fee for up to one month late \$ 74**
- **Late payment fee more than one month late \$ 308**
- Application for voluntary deregistration of a company \$ 38
- **Annual review fee for a proprietary company \$ 243**
- Annual review fee for a registered schemes or a public company \$1,146

The increase in late payment fees is a timely reminder to ensure you know when your annual review fee due date is each year. We recommend you put this as a yearly reminder in your diary/phone/calendar two months earlier than the due date to avoid late payment.

There was also an increase of \$1.00 for one year registration and \$2.00 for three year registration payable for all new business name registrations and renewals applied from 1 July 2014:

- Registration or renewal for one year \$ 34
- Registration or renewal for three years \$ 78

Employer Penalties for Unpaid Superannuation Contributions

Employers who are not meeting their superannuation obligations may lose the tax deduction they would normally receive for super contributions. They will also have to pay a super guarantee charge (SGC) to the Australian Taxation Office.

From 1 July 2014 employers must be paying 9.5% of each eligible employee's ordinary time earnings each quarter in superannuation. The date for the last quarterly cut-off for superannuation contributions was 28 July, which applies to the period of 1 April to 30 June. The next due date is 28 October for the September quarter.

If employers have not met their superannuation obligations they will need to lodge a superannuation guarantee charge statement with the ATO and also pay a superannuation guarantee charge. Also, their business may lose the tax deduction that they would normally receive for superannuation contributions. This is because like most late payments the super guarantee charge is not tax deductible.

Employers will have to pay the super guarantee charge if:

- They do not pay enough super contributions to their employee. This is known as a super guarantee shortfall.
- They do not pay super contributions by the quarterly cut-off date for payment.
- They do not pay super to their employee's chosen super fund; this is called a choice liability.

The super guarantee charge is made up of the super guarantee shortfall amounts, nominal interest at 10% per annum, and an administration fee of \$20 per employee, and an SGC penalty of up to 200%, per quarter.



Wage Subsidies for Older Employees

As part of an attempt to boost the participation of older Australians in the workforce, the federal government is offering business incentives of up to \$10,000 to hire employees over the age of 50, beginning 1 July 2014. The wage subsidy scheme, called Restart, will require employers to demonstrate that the filled position is ongoing, sustainable and has not led to any other employees being dismissed in favour of a mature age worker with the attached incentive. The incentive is only applicable to mature age job seekers who have been unemployed for at least six months. The issue here is that many older Australians who have failed to find employment drop out of the workforce altogether, rather than becoming job seekers. This means that they will not have the incentive applied to them, limiting the ability of employers to take advantage of the scheme.

To be eligible for the initial \$3,000 payment employers will have to employ the mature age employee for a period of at least six months on a full-time basis. After twelve months, the employer will receive another \$3,000 payment, followed by another \$2,000 at eighteen months and a final \$2,000 at two years. Companies seeking a part-time employee may also benefit from Restart. If a mature person with the incentive attached to them is hired part-time then the incentive will be paid on a pro-rata basis.

While the Restart incentive is enticing, you should not let it become a distraction throughout the selection process. Candidates should be assessed on their merits and the potential they have to bring value to your business. Over a two year period, the value added by a first-class employee would be well over \$10,000, while the costs of having an unsuitable employee can be significant. There are however, many advantages that can come with hiring an older worker including maturity, a good work ethic and a commitment to long-term employment, meaning you may have lower levels of staff turnover. Older employees also tend to have a slightly different communication approach to their younger counterparts, which can prove valuable in a variety of business situations.

Client In Focus - Inspirations Paint Fountain Gate

Inspirations Paint Fountain Gate (3D Paint City) has been operating since 1999 and services from Cranbourne to Emerald in Melbourne's Eastern Suburbs, giving personal attention to your paint projects. Opposite the BWS and next to Hungry Jacks on Victor Crescent, John and the team offer friendly advice to make sure you get your painting project done perfectly the first time.

Visit our store, speak with expert staff and give your painting project the care and attention it deserves.



8/44 Victor Crescent, Fountain Gate - Ph 9796 6521
 Also at 917-919 Princes Highway, Pakenham - Ph 5940 9358
www.inspirationspaint.com.au

Important Upcoming Dates

October 21st 2014

Annual PAYG Instalments Due

October 21st 2014

September 2014 Monthly
 Activity Statement Due

October 28th 2014

September 2014 Quarter
 Business Activity Statement Due

October 28th 2014

September 2014 Quarter
 Superannuation Contributions Due

October 31st 2014

Tax Returns Due for Clients
 Lodging Themselves

November 21st 2014

October 2014 Monthly
 Activity Statement Due

December 22nd 2014

November 2014 Monthly
 Activity Statement Due