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THE CP CATCHUP

SEPTEMBER 2018

WELCOME TO THE TWENTY-NINTH EDITION OF THE CP CATCHUP

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



Proposed Superannuation Guarantee Amnesty

On 24 May 2018, Minister for Revenue and Financial Services announced the commencement of a 12 month Superannuation Guarantee Amnesty (the Amnesty). The Amnesty is a one-off opportunity for employers to self-correct past super guarantee (business/super-for-employers/how-much-to-pay/) (SG) non-compliance without penalty. Subject to the passage of legislation, the Amnesty will be available from 24 May 2018 to 23 May 2019.

Employers who voluntarily disclose previously undeclared SG shortfalls during the Amnesty and before the commencement of an audit of their SG will:

- not be liable for the administration component and penalties that may otherwise apply to late SG payments, and
- be able to claim a deduction for catch-up payments made in the 12-month period.

Employers will still be required to pay all employee entitlements. This includes the unpaid SG amounts owed to employees and the nominal interest as well as any associated general interest charge. The Amnesty applies to previously undeclared SG shortfalls for any period from 1 July 1992 up to 31 March 2018. The Amnesty does not apply to the period starting on 1 April 2018 or subsequent periods. Employers who are not up-to-date with their SG payment obligations to their employees and who don't come forward during the Amnesty may face higher penalties in the future. Accessing the Amnesty is a simple process, please contact CP for further information.

Source: Ref: ATO website, Business/Super-for-employers/Superannuation-Guarantee-Amnesty

Suburban Scammers Pushing Illegal Early Access to Super

The ATO has become aware of people in some suburban areas of major cities attempting to encourage others to illegally access their super early to help them to purchase a car, to pay debts, to take a holiday, or to provide money to family overseas in need. The ATO has seen evidence of promoters promising that they can organise access to super (for a fee). They ask people to fill out blank forms and provide identity documentation, while assuring people that these arrangements are legitimate.

So far, the ATO has seen promoters targeting people with small to medium super balances, people involved in local community and cultural groups, and those who may not have engaged with their super at all before being approached. The ATO advises that anyone approached by someone telling them that they can access their super early, or anyone hearing about it from family, friends or work colleagues:

- should not sign any documents;
- should not provide them with any personal details;
- stop any involvement with the scheme, organization or the person who approached them; and
- seek advice from a professional advisor or the ATO.

Source: Ref: ATO media release, 25 June 2018



ATO Guide to the 5 Most Common Tax Time Mistakes

As Tax Time 2018 has 'kicked off', the ATO has profiled the **five most common mistakes** and the personalities most likely to have tax time troubles. The top five mistakes include taxpayers who are:

- leaving out some of their income (e.g., forgetting a temp or cash job, capital gains on cryptocurrency, or money earned from the sharing economy);
- claiming deductions for personal expenses (e.g., home to work travel, normal clothes or personal phone calls);
- forgetting to keep receipts or records of their expenses (around half of the adjustments the ATO makes are because the taxpayer had no records, or they were poor quality);
- claiming for something they never paid for – often because they think everyone is entitled to a 'standard deduction'; and
- claiming personal expenses for rental properties – either claiming deductions for times when they are using their property themselves, or claiming interest on loans used to buy personal assets like a car or boat.

The ATO recognizes that some people lodge early because they want their refund, but this increases the risk they may inadvertently leave out some of their income. The ATO therefore recommends that individuals wait until pre-fill data is available in August, as the ATO will automatically input most of an individual's information from employers, financial institutions and government agencies. Pre-fill data is available whether an individual chooses to lodge online with myTax, or with a registered tax agent – they just need to check the details are correct and add any missing information.

For those intending to push the boundaries, or perhaps fudge some parts of their return, the ATO has them in its sights.

"We are increasing our investment in education and assistance, as well as reviews and audits. This year we are expecting to make contact with more than 1 million taxpayers either directly or through their agents." Ms Anderson said.

"Remember: Whether you use a tax agent or lodge it yourself, you are responsible for the claims you make. Take the time to check your deductions are legitimate and you have listed all your income before lodging."

Source: Ref: ATO Media Release, 28 June 2018

Client In Focus - CP Wealth Solutions

Since CP Numbers began 40+ years ago, our clients have primarily come to us for accounting advice. As our clients' needs continue to grow and change, so does our business. Like you, many of our clients have been seeking our advice on how to best manage their finances and optimise their wealth for future planning. And finally, we're now able to offer you this expertise, with our new, specialised service, **CP Wealth Solutions**.

CP Wealth Solutions is headed up by experienced adviser, **Kim White**. Kim's friendly, fuss-free approach simplifies the complexities of wealth and planning, to give you a better understanding and more control over your wealth and future.

At CP Numbers, we've always focused on being more than just numbers for our clients. With the addition of CP Wealth Solutions, we're now able to work with you on every level, from book entry to financial advice, to navigate all things financial for your future.



Mr Kim White
 Suite5, 115 Hawthorn Road Caulfield North VIC 3161
 Phone: 03 9509 6200
 Email: kim@cpnumbers.com.au
 Website: under construction

