



Broome

Well....a lot has happened since our last newsletter. COVID-19 has dramatically changed the way we live, breathe, work and learn all in a very short space of time. It will have a lasting impact around the world for many years to come.

Social distancing will be difficult to sustain as Australia starts to slowly come out "from under the doona". We'll soon know if there are any consequences from relaxing restrictions and returning to some semblance of our former lives pre-COVID-19.

However, there is light at the end of the tunnel. There will be many fans across the country who will undoubtedly be thrilled with the return of AFL fixtures this month albeit watching from the safety of their living rooms, backyards, or the local pub (while maintaining social distancing etiquette!).

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## Congratulations on Years of Service with Byfields

Byfields would like to recognise and congratulate Drew Healand and Scott Martin (both from the Northam office) who have achieved 10 years of continued service with the firm.

Both Drew and Simon are a bit camera shy so we don't have any photos but Drew was happy to give you a bit of a snapshot into his personality.

### Drew Healand

- ★ What is your motto or personal mantra?.....*Nothing in particular, however I find it important to make sure you keep your brain active even in down time*
- ★ What is your favourite past time or sports?.....*I have always enjoyed playing hockey and watching ice hockey on TV*
- ★ What do you do to relax and unwind?.....*Watching TV or listening to music*
- ★ What is the one thing you can't live without?.....*My family*
- ★ Favourite food?.....*Roast lamb with veggies*
- ★ Favourite place to eat?.....*The Northam Tavern always puts on a good meal*
- ★ Favourite book / TV Show?.....*I like reading Dr Karl's books, you always learn something. Superstore is one of the funniest shows on TV.*
- ★ Favourite holiday destination?.....*Mount Buller in Victoria is a great visit*
- ★ People would be surprised to know..... *I enjoy maths puzzles while at home*

## Reminder – Byfields are Open and Back to Normal

With the recent Government announcements that took effect from Saturday 6 June 2020, we are pleased to announce that all Byfields offices are open and back to normal.

If you don't feel comfortable coming to our offices for a meeting, we are more than happy to meet you at your premises or home, or handle the meeting over the phone or via Zoom.

We are continually monitoring the COVID-19 situation to ensure both you, our clients, and our staff are protected. We'll advise you as soon as possible if circumstances change.



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Business Advisory & Taxation - Agribusiness - SMSF - Bookkeeping - IT

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## Superannuation - Age 67 is the New 65

A quite significant change is coming to superannuation from 1 July 2020.

Turning age 65 has been a milestone in Australian super for a very long time, as the age of deemed retirement aligned to the old Age Pension eligibility rules. Age 65 is the point at which members who wish to continue putting money into super need to confirm they are still active in the workforce by passing what is called the Work Test.

The work test requires a member to have been gainfully employed for at least 40 hours in a period of not more than 30 consecutive days in the financial year. Gainful employment includes employment or self-employment but does not include voluntary or charity work. This work test must be met before the contribution is made and may include work undertaken anywhere in the world.

From 1 July 2020 the rules are being amended to allow members aged 65 and 66 to continue making contributions to super without having to satisfy the work test. This increase from age 65 to age 67 opens super back up to those members who have retired, only work one day a week or volunteer in the community without pay.

A flow on effect of the increase to age 67 is the ability to also extend the three year bring forward rule for non-concessional (after-tax) contributions beyond age 65, even where not working. This means a member could potentially contribute an additional \$300,000 to super in the year they turn 67 rather than age 65. This could mean an extra \$200,000 into super for people with average super balances.



It is worth noting that age 65 continues to be the age of deemed retirement for the purposes of accessing your super benefits as either a pension or as lumps sums. This is not changing.

The increase to age 67 could be the perfect opportunity for super members who have left the workforce in recent years to partially replenish their retirement balances which may have been dealt a harsh blow from the COVID-19 share market and property downturn.

## \$150,000 Instant Asset Write-off Scheme Extended

On 9 June 2020, the Government announced it will extend the \$150,000 instant asset write-off until 31 December 2020. This proposed change is subject to the parliamentary process and is not yet law.

Under instant asset write-off eligible businesses (with an aggregated turnover of less than \$500 million) can claim an immediate deduction for the business portion of the cost of an asset in the year the asset is first used, or installed ready for use.

Instant asset write-off can be used for:

- ❖ multiple assets as long as the cost of each individual asset is less than the relevant threshold
- ❖ new and second-hand assets.

It cannot be used for assets that are excluded from the simplified depreciation rules.

The instant asset write-off eligibility criteria and threshold have changed over time. You need to check your business's eligibility and apply the correct threshold amount depending on when the asset was purchased, first used or installed ready for use.

## JobKeeper Payment Scam Alert

The Australian Taxation Office (ATO) is receiving reports of scammers pretending to be from the ATO calling members of the public and asking them to provide their bank account details. They are telling them that their employer has registered them for the JobKeeper Payment, but that the ATO needs their bank account details to deposit the funds into their account.

**Do not provide the information requested.** Employees that are eligible for JobKeeper payments will be paid by their employer and the ATO will reimburse their employer for these payments. The ATO does not need the bank account details of individual employees.

If you are not sure whether an ATO call is legitimate, hang up and phone the ATO on 1800 008 540 to check.

Scammers are constantly developing new ways to steal from the community, and will often try to take advantage of people when they are most vulnerable.

You can help the ATO stop scammers in their tracks by warning your friends and family to stay alert.

For more information, visit [Verify or report a scam](#).



# QUESTIONS?

# ANSWERS!

## COVID-19 Frequently Asked Questions

The Australian Taxation Office (ATO) has compiled a list of frequently asked questions (FAQs) that have arisen during COVID-19.

Listed below are some of the FAQs. You can read the full list here – [COVID-19 FAQs](#).

### Working from Home

**Question: My employer is encouraging or requiring me to work from home. Will I be able to claim a deduction for home office expenses?**

Answer: Yes, if you work from home because of COVID-19 you may be able to claim a deduction for the additional running expenses you incur. These include expenses associated with heating, cooling and lighting in the area you are working from, phone and internet and other running expenses.

The ATO have introduced a temporary simplified method (shortcut method) for you to calculate the additional running expenses you incur as a result of working from home due to COVID-19. The shortcut method allows you to claim 80 cents for each hour you work from home and covers all deductible running expenses. Multiple people living in the same house can claim this new rate. For example, a couple living together could each individually claim the 80 cents per hour rate.

You may still use one of the existing methods to calculate your running expenses if you would prefer to. This includes calculating your actual running expenses.

**Question: Can I claim working from home expenses when I'm on leave or if I've been stood down during the COVID-19 period?**

Answer: No, you can only claim for the actual time that you spend working from home due to COVID-19. Working from home does not include minimal tasks such as occasionally checking emails or taking calls. For example, if you have been stood down and you are occasionally receiving email updates from your employer about the situation, the time you spend checking those email updates will not be treated as time spent working from home.

**Question: I worked from home before COVID-19 and my work pattern has not changed as a result. Am I entitled to claim the shortcut rate of 80 cents per work hour for my additional running expenses?**

Answer: Yes, the new shortcut method is intended to cover all taxpayers working from home between 1 March and 30 June 2020, whether the working arrangements are a result of COVID-19 or not.

If you normally work from home, you can continue to

claim your additional running expenses using one of the existing methods if you prefer:

- ◆ the work-related portion of your actual expenses
- ◆ the fixed rate of 52 cents per hour plus the work-related portion of expenses not covered by that rate.

**Question: If I use the shortcut method to claim my expenses while I work from home, what records do I need to keep?**

Answer: If you are using the shortcut method, you need to keep records showing the amount of time you have spent working from home. This could be in the form of timesheets, rosters, a diary or similar document that sets out the hours worked.

**Question: If I claim my actual running expenses, what records do I need to keep?**

Answer: If you are claiming your actual running expenses, you need to retain receipts for expenses along with records showing your work-related use.

**Question: Can I claim for my rent or mortgage and will this affect capital gains tax if I sell my house?**

Answer: Occupancy expenses relating to your home – such as rent, mortgage interest, property insurance and land taxes – will not become deductible merely because you are required to temporarily work from home due to COVID-19.

People have asked whether working from home will disqualify them from claiming the main residence capital gains tax exemption when they sell their home. Because working from home in the current circumstances does not, in and of itself, create an entitlement to claim deductions for mortgage interest, you will not lose any part of the main residence exemption.

### At Home Learning Expenses

**Question: I am a working parent with school-aged children who are learning from home during the COVID-19 crisis. Will I be able to claim a deduction for the costs associated with setting them up for learning?**

Answer: No, costs relating to your children's education are personal expenses and not deductible. Examples of costs include:

- ◆ setting them up to do online learning
- ◆ teaching them at home
- ◆ purchasing school supplies or items like desks, iPads, or sporting equipment.

If you are an employee who is working from home, you

can only claim a deduction for expenses that are directly related to your work.

## Buying Protective Items

**Question: Can I claim a deduction for gloves, face masks, sanitiser, anti-bacterial spray that I use at work due to COVID-19?**

Answer: You may be able to claim a deduction for protective items you purchase and use at work. To be deductible both of the following must apply:

- ◆ You must have incurred the expense yourself.
- ◆ It must have a sufficient connection with the earning of your assessable income, which means
  - ❖ you are exposed to the risk of illness or injury in the course of carrying out your income earning activities
  - ❖ the risk is not remote or negligible
  - ❖ the protective item is of a kind that provides protection from that risk and would reasonably be expected to be used in the circumstances
  - ❖ you use the item in the course of carrying out your income earning activities.

If your specific employment duties require you to have physical contact or be in close proximity to customers or clients while carrying out your duties or you are involved in cleaning premises, you can claim a deduction for expenditure on protective items.

Examples of this type of work include the:

- ◆ medical industry (such as doctors, nurses, dentists and allied health workers)
- ◆ cleaning industry
- ◆ airline industry
- ◆ hairdressing and beautician industry
- ◆ retail, café and restaurant industry.

If you work in these industries or occupations, the risk is not remote or negligible.

If you use items for both work-related and private purposes, you can only claim a deduction for the portion of the expense that relates to your work-related use.

## Residential Rental Properties

**Question: My tenants are not paying their full rent or have temporarily stopped paying rent because their income has been adversely affected by COVID-19. Can I still claim deductions on my rental property expenses?**

Answer: Yes. If tenants are not meeting their payment obligations under the lease agreement due to COVID-19 and you continue to incur normal expenses on your property, then you will still be able to claim these expenses in your tax return.

**Question: I'm considering reducing the rent for tenants whose income has been adversely affected by COVID-19 to enable them to stay in the property. The tenants are not in default of their rent. Will my deduction for rental property expenses be reduced**

**because of this?**

Answer: No. If you decide to reduce the rent to enable your tenants to remain in the property (thereby maximising your rental return in a changed rental market), your deduction for rental property expenses will not be reduced.

**Question: If I receive a back payment of rent or an amount of insurance for lost rent, is this amount assessable income?**

Answer: Yes. These amounts should be declared as income in the tax year in which you receive the amounts.

**Question: If the bank defers loan repayments for a period of time as a result of COVID-19, can I continue to claim interest on the loan as a deduction?**

Answer: Yes. If interest continues to accumulate on your loan, it will be an expense that you have incurred and is therefore deductible. Interest remains deductible on the loan even if the bank defers the repayments.

**Question: Can I access the new instant asset write-off for my property?**

Answer: No. If you are a property investor, you cannot access the instant asset write-off deduction.

## Interest & Penalties

### Remitting interest and penalties incurred before 23 January 2020

**Question: My business has been affected by COVID-19. Am I entitled to have all interest and penalties I currently owe remitted?**

Answer: The ATO will consider remitting interest and penalties that were incurred on or after 23 January 2020 in line with the COVID-19 remission policy. This does not apply to interest or penalties that were already incurred before 23 January 2020, but the ATO can:

- ◆ consider whether your circumstances before 23 January 2020 would make a remission of interest and/or penalties appropriate
- ◆ arrange to stop interest being charged while the COVID-19-affected period continues, and for the life of a payment arrangement if you put one in place.

### Remitting interest and penalties incurred after 23 January 2020

**Question: My business has been affected by COVID-19. If I get an ATO debt now, will interest and penalties be remitted?**

Answer: The COVID-19 remission applies to interest and penalties incurred on or after 23 January 2020.

### Entering into a low interest payment plan

**Question: What kind of low interest payment plan could I request?**

Answer: The ATO are currently able to consider payment arrangements where interest stops being charged going forward while the payment arrangement is in place. Your payment arrangement will still need to be something you are able to comply with and that is acceptable to the ATO (in that you will be paying back your debt as soon as

possible in the circumstances).

### Adjusting an existing payment arrangement


**Question: I am currently in a payment arrangement for my business debt but, due to the effect of COVID-19, I can't keep paying instalments at the same rate. Can I get a change in my repayment rate or defer my next payment date?**

Answer: Yes, the ATO can consider adjusting your repayments to something that is manageable within your current cash flow while ensuring you are paying back

your debt as soon as possible in the circumstances. A low interest arrangement could also be available to help you address your debt.

**Question: I have a payment arrangement in place to pay my tax debt, but I can't afford to make the payments at the moment because my pay has dropped due to COVID-19. What can I do?**

Answer: The ATO can suspend, vary or cancel your payment arrangement, and can make sure you are not charged interest on the outstanding debt while you are affected by COVID-19.

 Receipt Bank is a cloud-based accounting solution to manage the receipts, invoices and other documents a business depends on to keep accurate, secure financial records.

The software solution promotes paperless bookkeeping by connecting the accountants and the entire business. The software also makes it simple to capture financial documents as well as process the documents and share them.

You can capture and upload documents using:

- ✓ The camera on your mobile phone
- ✓ Scans on your computer
- ✓ Email
- ✓ Automatically fetching them from online platforms

Once you've sent in a document, Receipt Bank's automated extraction engine will read all of the key information and display it in an easily manageable format, perfect for downloading or processing with connected accounting software like MYOB, Quickbooks and Xero thus removing the need for manual data entry.

Receipt Bank extracts the:

- ✓ Original document image
- ✓ Total
- ✓ Type of document i.e. invoice, receipt, etc
- ✓ Tax amount
- ✓ Document date
- ✓ Invoice number
- ✓ Supplier
- ✓ Payment method
- ✓ Currency

Receipt Bank offers the storage of receipts and invoices as scanned digital images for a minimum of 10 years which can be accessed anytime. The data is available for sharing and export round the clock with the option of publishing it into other software.

Byfields are a Receipt Bank partner and can assist you with setting up Receipt Bank through our partner account. Contact your accountant today for more information.

## Key ATO Dates for June & July 2020

### JUNE

May monthly activity statements (payment and lodgement)	21 June
Fringe benefits tax return (payment and lodgement - extended due to COVID-19)	25 June
End of financial year	30 June

### JULY

June monthly activity statements due (payment and lodgement)	21 July
June quarter GST instalment due (payment and lodgement (if varying the instalment amount))	28 July
June quarter PAYG instalment due (payment and lodgement (if varying the instalment amount))	28 July
June quarter super guarantee contributions	28 July

For a full list of ATO due dates, go to [www.ato.gov.au/Business/Reports-and-returns/Due-dates-for-lodging-and-paying/Due-dates-by-month/](http://www.ato.gov.au/Business/Reports-and-returns/Due-dates-for-lodging-and-paying/Due-dates-by-month/).