



ACCOUNTANTS

Upcoming Key Dates

December 2022

21st December – Monthly BAS/IAS due

22nd December – M & B Accountants Office Closed from 5:00pm
(re opening 9th January 2023)

31st December – end of 2nd quarter 2022/23

January 2023

1st January – 3rd Quarter 2022/23 commences

9th January - M & B Accountants office opens from 8:30am

30th January – Quarter 2 Superannuation Guarantee due – 10.5%

February 2023

21st February – BAS/IAS for December 2022 due for monthly lodgers

21st February – BAS/IAS for January 2023 due for monthly lodgers

28th February – Quarterly BAS/IAS & PAYG Instalments due for Oct - Dec 2022

Office Closure

Our office will be closed for the Christmas/New Year period from 5:00pm on Thursday 22nd December 2022 and will reopen at 8:30am on Monday 9th January 2023.

We wish all of our valued clients, colleagues and those in our extended network a happy, healthy and joyous holiday period and we look forward to 2023.



Commonwealth Seniors Health Card Eligibility Changes Are you now Eligible?

The Commonwealth Seniors Health Card (CHSC) may allow access to cheaper medicine under the Pharmaceutical Benefits Scheme, bulk billed doctors visits (depending on your doctor) and a refund of medical costs once you reach the Medicare Safety Net.

State Governments or local councils may lower electricity and gas bills, property and water rates, health care costs and public transport fares.

To be eligible for the CHSC you must be age pension age, meet the residence requirements, not be getting a payment from Centrelink or Veterans Affairs and satisfy the income test.

From 4th November 2022, the income test threshold has been increased meaning more taxpayers will be eligible for the CHSC. To be eligible your adjusted taxable income plus a deemed amount for account based income streams must be less than:

- \$90,000 a year for singles
- \$144,000 a year for couples
- \$180,000 a year for couples separated by illness, respite care or prison

Should you have any queries or require assistance with the application process, please contact the team at M & B Accountants.

Thank you Sheri

We would like to take this opportunity to thank Sheri van Egmond who has been working with us for the past 6 months while Jess has been on maternity leave.

Having worked with us previously, Sheri fitted straight back in and was a great help in Jess' absence.

Thanks Sheri and all the best for the future.

Home Office Expenses - 2022/23

The Australian Taxation Office have recently issued draft practical compliance guideline PCG 2022/D4.

This document provides guidance in relation to claiming home office expenses for the 2023 financial year and beyond.

Prior to this ruling, taxpayers had the option to claim actual expenses or one of the 2 shortcut methods when working from home.

From 1st July 2022, taxpayers can either claim actual costs or the revised fixed rate method.

The revised fixed rate method is based on 67 cents per hour worked in your home office. The set rate covers the following costs:

- Energy Expenses
 - Internet expenses
 - Mobile and/or Home Phone
 - Stationery and computer consumables
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The document specifies additional record keeping requirements which will apply.

To satisfy the substantiation requirements you will need to record the following:

- July - December 2022 - a record which is representative of total hours worked
- **January - June 2023 - A complete record of actual hours worked**

We look forward to clarification from the ATO once the draft document becomes final.

Welcome Back Jess

We look forward to welcoming Jess back from 9th January 2023 after a period of Maternity Leave. We are excited to have her back and she is looking forward to catching up with valued clients and connections and continuing to support our small business and individual clients.

Trust Distributions - 2023 Year

The ATO have recently published their completed guidance in relation to trust distributions. This follows on from their release in February this year of the draft ruling.

The Practical Compliance Guideline (PCG 2022/2) purports to clarify when the ATO will seek to disallow distributions of income. Of particular relevance is the application of Section 100A to distributions to adult children and other adult beneficiaries who may be in a lower tax bracket than the primary beneficiaries of the trust.

Arrangements where the distribution is not physically transferred to the beneficiary or where the funds are retained in the trust may cause some issues.

The tightening of the rules around distributions to beneficiaries will need to be considered by all trustees in the lead up to 30th June 2023. In some circumstances, taxpayers may have an increased exposure to tax increasing the need to focus on tax planning strategies in the 2023 financial year.

Single Touch Payroll (STP) Phase 2

The biggest change brought about with the introduction of Phase 2 is the additional reporting requirements of employee and earnings data.

The ATO's intent with capturing more information is to streamline employer and employee interactions with other Government agencies and reduce administrative tasks associated with the hiring and termination of an employee.

Whilst STP Phase 2 started on 1 January 2022, it is to be noted that some Digital Service Providers (DSPs) needed more time to update their products and transition their customers. If your DSP has a deferral, this covers you so it may be prudent to contact your DSP to confirm the deferral.

It's important you understand which of the following circumstances apply to you:

- **your payroll product is ready** – it's time for you to start STP Phase 2 reporting now or have a plan in place to transition as soon as possible.
- **you are covered by your DSPs deferral** – make sure you understand when your product will be ready and that you are ready to start Phase 2 reporting when it has been updated, or no later than the first pay day after your DSP deferral expires
- **the product you're using is not being updated to offer STP Phase 2 reporting** – your DSP will let you know if they have another product you can use. If not, you'll need to choose a product that offers STP Phase 2 reporting

If you're not sure which of these circumstances applies to you, you need to speak with your DSP and/or your tax or BAS professional.
