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The financial news your business needs

Winter 2016

# BUSINESS Bulletin

## Tax - Year End Savers

With 30 June looming, this article offers some contemporary tax planning tips to optimize your 2015/2016 tax position:

### Flu Shots!

As we move into Winter and flu season, have you considered paying for your employees to have flu vaccinations? As well as decreasing workforce absences (which in the case of the flu can be anything up to a week per employee which can dramatically impact overall productivity), flu vaccinations receive generous tax treatment as follows:

- **Fringe Benefits Tax** - If an employer provides an employee with a flu vaccination by paying for the cost of the vaccination this is an exempt benefit which will not attract FBT. Although not every employee may take up the offer of free flu vaccinations, it must be offered to all employees in order to be exempt from FBT.
- **Income Tax** - Flu vaccinations, although generally not deductible when paid for by employees, are deductible when paid for by employers on behalf of their workers. As we near flu season and financial year-end, by offering flu vaccinations and having them done and paid for/invoiced by 30 June, you can optimise your 2015/2016 tax position - as well as providing a benefit that is typically much appreciated by employees.

### Small Business Instant Asset Write-Off

The Small Business Instant Asset Write-Off is a great way for your business to reduce its 2015/2016 tax payable as we near 30 June. SBEs (businesses with a turnover of less than \$2 million, including the turnover of connected and affiliated entities) can claim an immediate deduction (total write-off) for depreciating assets that cost less than \$20 000 provided the asset is first acquired on or after 7.30pm EST on 12 May 2015, and first used or installed ready for use on or before 30 June 2017. To get the benefit for this 2015/2016 financial year, the asset will need to be purchased and installed ready for use on or before 30 June 2016. Basically, all depreciable assets (including second-hand assets) used in a business are eligible for the \$20 000 write-off - including motor vehicles, furniture, computer equipment, machinery etc. The Small Business Instant Asset Write-Off is a great way for your business to reduce its 2015/2016 tax payable as we near 30 June.

### Super Contributions

Although not due until 28 July, some employers bring forward their compulsory April-June Superannuation Guarantee payments to before 1 July. By doing so, they improve their year-end tax position by claiming a deduction in 2015/2016. To claim a deduction in 2015/2016, the contribution must be received by the superannuation fund before 1 July.

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### Reminder Dates

June **21**  
Lodge May monthly Activity Statements

July **14**  
Provide payment summaries to employees

July **21**  
Lodge June monthly Activity Statements

July **28**  
Make Superannuation Guarantee contributions  
Lodge 4th quarter Activity Statements (if lodging by paper)

August **14**  
Lodge PAYG withholding payment summary annual report

August **21**  
Lodge July monthly Activity Statements

August **25**  
Lodge 4th quarter Activity Statements (if lodged electronically or using a BAS or Tax Agent)

However, if you use the ATO's Small Business Superannuation Clearing House, the Superannuation Guarantee payment for deduction purposes is taken to be made when received by the Clearing House. Payments other than Superannuation Guarantee contributions such as 'salary sacrifice' payments are not considered to have been made until the date the superannuation fund receives the payment, even if you use the Small Business Superannuation Clearing House. In order for these payments to reach the superannuation fund by 30 June 2016, they must be received by the Small Business Superannuation Clearing House no later than 6:00pm (AEST) Thursday 23 June 2016.

## Human Resources - Ergonomics

Ergonomics is the process of designing or arranging workplaces so they fit the people who use them. Providing an ergonomic workplace has a range of benefits for employers including:

- Increased savings (fewer injuries; fewer workers compensation claims)
- Increased productivity
- Increased staff morale
- Less absenteeism.

For the many workplaces where employees use desk computers, the Queensland Government has released a Workplace Ergonomics Self-Assessment Checklist that can easily be applied in any office environment. The picture below depicts the ideal posture. What then follows is a series of questions designed to achieve this posture:

- Can the height, seat and back of the chair be adjusted to achieve the posture illustrated opposite?
- Are your feet fully supported by the floor when you are seated?
- Does your chair provide support for your lower back?
- When your back is supported, are you able to sit without feeling pressure from the chair seat on the back of your knees?
- Do your armrests allow you to get close to your workstation?
- Are your keyboard, mouse and work surface at your elbow height?
- Are frequently used items within easy reach?
- Is the keyboard close to the front edge of your desk allowing space for the wrist to rest on the desk surface?
- When using your keyboard and mouse, are your wrists straight and your upper arms relaxed? The keyboard should be flat and not propped up on keyboard legs as an angled keyboard may place the wrist in an awkward posture when keying
- Is your mouse at the same level and as close as possible to your keyboard?



## Money - Interest and CGT

### Low Interest Rates

At its May meeting, the Reserve Bank of Australia again cut interest rates by 0.25% to 1.75%, with most banks passing on the reduction in full to customers. While record low interest rates are good news for borrowers, business owners, and home owners, those who hold cash investments (the main form being term deposits) are not quite so pleased with the current interest rate environment. Term deposits at Australia's big four banks are currently offering on average a rate of 2.4% (for a one-year investment), maxing out on average at 2.85% per year for a five-year deposit (i.e. your money stays locked-up for five years). With the low interest rate environment reducing the returns on cash, the incentive is there to consider higher yielding shares (those paying greater dividends) as a more profitable revenue stream than cash investments such as term deposits.

### Capital Gains

Speaking of shares, with billions of dollars wiped off the Australian share-market in the first half of 2016, many share investors may now be sitting on a capital loss for certain shares that they own. If you already have made other capital gains this financial year (by selling other shares or property etc.) by selling your loss-making shares before 1 July 2016 and realising your capital loss, you can minimise or eliminate your earlier capital gain and thus save tax in 2015/2016. In weighing up whether to employ this strategy you would need to consider a number of factors including (a) the long-term potential of the shares (discuss this with your financial advisor) and (b) how pressing your need is to reduce your current year capital gain and therefore your overall 2015/2016 tax liability.

