

Newsletter - August 2015



**Chartered
Accountants**

From Megan's Desk

A message from MJE Business Services Principal, Megan Eriksson.

A belated welcome to a new financial year! We look forward to meeting with you, or liaising with you, over the next year to assist with your accounting and taxation needs!

Enclosed is our tax checklist to assist you in compiling your 2015 tax information. Please contact our office to arrange an appointment to prepare your return or if you prefer you can send your tax information or drop it in to our office at your convenience.

We encourage you to have a look at our new website at www.mjeservices.com.au. Should you have a logo for your business we would be pleased to include it on our site. We have tailored the website to our client's needs and have included useful website links and documents that we think will be of benefit to you.

If you would like your business logo featured on our new website, please contact Helen Newton.

Tax Tip

Dividend Reinvestment Plans

For shareholders that opt for the dividend reinvestment plan (DRP), where available, record keeping is essential. Under the DRP option, you will receive shares in lieu of cash dividends. This means that the dividend is still declared as income for tax purposes and you have purchased more shares with that dividend. It is recommended that a copy of the dividend statement is included with your tax records, for the year it is received, and another copy is kept as share records for CGT purposes. This will save angst later when shares are sold and we are required to work out the cost base.

ATO Scam Warning!!

The ATO have publicly issued a warning concerning an aggressive phone scam that is in operation. The scam involves fraudsters intimidating people into paying a fake tax debt over the phone by threatening them with jail or arrest.



It is important to remember the following:

- The ATO will never cold call you about a debt. If you have a debt you will receive a letter or SMS to remind you that a payment is due in the first instance.
- The ATO would never threaten jail or arrest.

If you receive a call from the ATO and are concerned about its legitimacy, ask for the caller's name and phone number and phone back via the ATO switchboard on **13 28 69** or simply call MJE and we will contact the ATO on your behalf.

Contact Us

MJE Business Services
Suite 2, 29-33 Pitt St, Mortdale NSW 2223
PO Box 15, Mortdale NSW 2223

P: 02 9580 1167 **F:** 02 9585 1943

E: mje@mjeservices.com.au

W: www.mjeservices.com.au

Hours:

Monday - Friday
9.00am to 5.00pm
(1.00pm - 2.00pm
closed for lunch)

General Advice – The advice provided is general advice only, as in preparing it, we did not take into account your personal situation or particular needs. Before making a business decision on the basis of this advice, you should consider how appropriate the advice is to your particular needs, objectives and personal circumstances.

Software Programs

Over the past 20 years, we've seen the business software market evolve at a rapid speed, moving from basic DOS-based solutions with text-based interfaces to rich and attractive graphical user interfaces. Now we're seeing the next shift in the market as businesses start to transition away from running software on their own standalone PCs or servers towards accessing it online as a cloud service.

Cloud computing is essentially all about the move away from buying a software suite that you install on your computer towards accessing the software you need over the Internet and on a web browser, wherever you are.

Having established that the technology to support the cloud is mature, why should a small business consider buying online accounting or payroll software rather than sticking with buying software licenses and running them on its own computers? Simply put, cloud solutions enable SMEs to simplify their IT environments, save money, and achieve the flexibility to get more done, faster.

Online-based accounting software, has completely changed the way small to medium businesses do their business accounting. For example, Xero, MYOB, Reckon and other online-based software has allowed accountants and business owners to work on a common ledger in real time. This changes the accounting relationship and in some ways forces both the business owner and accountant to become more aware of what is actually going on financially in the business. Business owners now have no excuse for not knowing what's going on in their business as they have direct access to their accounts and can easily navigate them on any machine, on any device, from anywhere in the world.

One of the big advantages of cloud-based accounting software is that a set of accounts can be worked on by a business owner and their accountant at the same time - there's no need to export the data, ship it off to the accountant, and then merge the changes made by the accountant with the transactions that occurred in the intervening period.

Accounting is becoming less of a compliance function and more of a value function as online-based software automates many processes. For those that are more comfortable with desktop accounting software, 'connected services' provide a bridge from the old world of desktop software to the new world of mobile and cloud computing.

Please don't hesitate to speak to Helen Newton if you have any questions relating to online based software programs or would like to upgrade your current accounting software.

SuperStream

Employers will be aware that from 1 July 2015, the Government's SuperStream Data and payments standard was put in place.

The standard requires the following:

- Employers must make superannuation contributions on behalf of employees by submitting payments and data electronically to a complying superannuation fund
- All superannuation funds (including SMSFs) must receive contributions from employers electronically.

Messaging data obligations need to consist of the following:

- Employer details
- Employee details (eg. name, address, and phone number);
- Contribution types and amounts; and
- Payment details, including a unique payment reference number.

Employers must send linked electronic payments and messages in the approved format by the prescribed date to remain compliant.

If an employer is unable to comply with these requirements, they should consider engaging an agent, such as a clearing house or payroll services, who can do this on their behalf.

Employers with 19 or less employees have until 30 June 2016 to meet the SuperStream requirements when sending superannuation contributions on behalf of employees.

Medical Expenses Tax Offset

The Medical Expenses Tax Offset is now means tested and restricted to certain taxpayers. For the 2015 financial year, you can only claim this offset:

- where you claimed and received the offset for the 2013 and 2014 financial years; or
- the claim relates to aged care or disability services

Once the above conditions are met, the out of pocket expenses threshold is \$2,218 for taxpayers with taxable incomes less than \$90,000 for singles, or \$180,000 for families. Where your taxable income exceeds these taxable income thresholds, the out of pocket expenses threshold increases to \$5,233.

Where the above conditions are met and you wish to claim the medical expenses offset, please obtain the following documents to include with your tax information, to enable us to calculate the offset for you:

- Private Health Insurance Benefits Statement, where you hold private health insurance cover
- Medicare Benefits Paid Statement
- List of scripts from your pharmacist

Where there are multiple family members, ensure that all individuals are included in the listings. This claim is done for all members on one tax return.

Please note that this is the final year to claim medical expenses which are not Nursing Home claims, or Disability expenses. Taxpayers will be able to continue to claim Nursing Home fees and expenses relating to disability aids and care.