

Your Partner In Business

Welcome to the February edition of the CPD Accountants newsletter.

CPD Contributes to Queensland Community Flood Relief

CPD Accountants are proud to have extended a helping hand to those in need by contributing \$800 worth of non-perishable food and other useful items to Queensland Community Flood Relief.



l to r: Ashleigh Phelan, Jessica Simmons and Peta Townsend with some of the items donated to Qld flood victims

The Flood Levy – What does it mean to you?

You have probably heard about the Federal Government's announcement of a Flood Levy, proposed to help pay for the flood recovery process.

But what does this potentially mean for you?

- Businesses are not required to pay, only individuals.
- Non-residents are unlikely to be charged this levy, as it is part of the Medicare levy calculation, although this is yet to be confirmed.
- The Flood Levy is only planned to be applicable for the 2011/12 tax year.
- The levy is not imposed on taxable incomes ("TI") of \$50,000 or less.
- For TIs over \$50,000 and under \$100,000 the 0.5% is only imposed on the excess over \$50,000. For example, for a TI of \$55,000, the calculation is 0.5% of \$5,000, not the full \$55,000 TI. The additional charge for an Australian resident on a TI of \$55,000 who is not exempt, would be \$0.48 per week.
- For TIs over \$100,000, the Flood Levy for eligible individuals will be an additional 1% of Medicare levy, which is planned to go towards flood relief. For \$100,000 TI, this would be an extra \$4.81 in tax per week.
- Individuals who received an Australian Government Disaster Recovery payment will be exempt from paying the Flood Levy.
- As employers and individuals, your weekly tax calculation will alter with the calculation of this payment. Employees need to let their employer know whether or not they are exempt, so that the flood levy is not taken out of their pay in the form of extra tax. Alternatively, employees can be charged the levy during the year, and claim the exemption in their tax return.
- If you would like to know how much this flood levy may affect your own tax, the government has provided a flood levy calculator, located at http://www.treasury.gov.au/documents/1949/XLS/Flood_Levy_Calculator.xls

ATO Flood & Fire Relief Update – Additional Lodgement Time Granted for Those Affected by Natural Disaster

The ATO has announced they will give all individuals and businesses affected by natural disasters in Queensland, New South Wales, Victoria and Western Australia (including those affected by the recent bushfires in Western Australia) additional time for tax related lodgements and some associated payments.

Those in affected postcodes will automatically receive deferrals applied to certain lodgement due dates if the lodgements have not yet been received.

Please note that qualified individuals and businesses do not need to apply for these deferrals, and if later deferrals have already been granted, these will still apply.

For further information, please visit <http://ato.gov.au/corporate/content.asp?doc=/content/00269769.htm> and <http://ato.gov.au/corporate/content.asp?doc=/content/00189316.htm> or contact the ATO directly.

Paid Parental Leave

Eligible employees with a child born or adopted on or after 1 January 2011 can take 18 weeks of paid parental leave, at the national minimum wage, which is currently \$570 a week before tax. Full-time, part-time, casual, seasonal, contract and self-employed workers may be eligible.

These employees must have been with the business for at least 12 months before the expected date of birth or adoption of their child. Should you have an employee or contractor who will be eligible for this payment, we recommend you get ready by registering now for **Centrelink business online services**.

The Family Assistance Office (FAO) will give employers funds to provide parental leave pay to their employees. However, it is the **employer** who needs to on-forward the FAO funds to the employee on parental leave each pay period, and tax it in the normal way.

During this period of leave, you do not have to contribute the compulsory 9% superannuation, or include the payment for the purposes of WorkCover or Payroll Tax. You also do not accrue leave during this time. For additional information, visit www.familyassist.gov.au.

Coming Up – CPD's Free Seminars & Workshops

The Complete Guide to Property Investment in Queensland

Guest Speakers: Matthew Love, Matthew Love Solicitors & Stephen Kovacs, Kovacs Property Group

Date & Time: Wednesday 16 March, 5.30pm

Venue: Pacific Resort, Cleveland

Format: Seminar and Networking

Growing and Managing Your Business

Guest Speaker: Nathan McDonald, 10 Impacts Business Strategies

Date & Time: Wednesday 13 April, 7.30am

Venue: Shangri-La Gardens, Wynnum West

Format: Workshop and Networking

Tips for Business Success

Guest Speaker: Donna Stone, Stone Consulting

Date & Time: Tuesday 3 May, 5.30pm

Venue: Alexandra Hills Hotel, Alexandra Hills

Format: Seminar and Networking

If you would like more information about our seminars and workshops, or if you would like to be added to our mailing list, please contact us on events@cpdaccountants.com.au

ATO Approves 'Bucket Donations'

The ATO has announced that it will once again allow 'bucket donations' for the 2011 Queensland and Northern New South Wales floods, as it did for the large number of donations made after the Victorian bushfires in 2009.

The ATO will allow deductions in 2010/11 tax returns for donations up to \$10 made to 'bucket appeals' for the floods without the need to keep a receipt.

Just a reminder, however, that in order to be deductible the donation must be made to a 'deductible gift recipient' and if your donation is over \$10, you will need to keep a receipt for tax purposes.

For additional information, please visit <http://www.ato.gov.au/corporate/content.asp?doc=/content/00267248.htm>.

Quote of the Month

"I saw the angel in the marble and carved until I set him free." – Michelangelo

Reporting TFNs to Employees' Super Funds

When your new employee completes a Tax File Number (TFN) declaration form, you must pass their TFN on to their Superannuation Fund if you make superannuation contributions on their behalf.

It is a legal requirement to do this within 14 days of receiving an employee's completed form. Penalties and extra tax apply for non-compliance.

The notification of TFNs to Super Funds also applies to some contractors, who are effectively employees by another name.

If there are any topics you are specifically interested in reading about, please contact us on newsletter@cpdaccountants.com.au and we will do our best to include these in future issues.