



As the end of financial year approaches, we have provided an update on the following topics to assist in navigating the various changes.

In consideration of the current pandemic and impact on our office, where practical, we will be encouraging all clients to:

- ***send in your end of year tax documents electronically***
 - ***hold tax interviews over the phone***
 - ***sign documents electronically***

Please click on the following topic of interest to learn more:

- [HC Partners Office Update](#)
- [Individuals Update](#)
- [Business Update](#)
- [Superannuation Update](#)
- [COVID-19 and Australian workplace laws](#)
- [Investment Markets Update](#)

HC Partners Office Update

1. We are complying with all national and state [public health directions](#)
2. We are promoting simple but effective social distancing and hygiene measures
3. We are asking our staff, clients and any visitors to not attend the office if feeling unwell

In addition, we are encouraging the use of alternative electronic methods in the collection and storage of documents (OneDrive, email) as well as the electronic signing of documents (Xero, DocuSign).

We encourage you to reach out to discuss your personal circumstances in light of the impact of the pandemic to discuss ways we may be able to help.

[HC Partners COVID-19 Policy](#)

Individuals Update

Tax Time 2020 - in consideration of the current pandemic and impact on our office, where practical, we will be encouraging all clients to send in their end of year tax documents electronically this year. We will also be encouraging phone interviews and electronic signatures.

Did you know? We are able to access many of your details including payment summaries from your employer, interest on bank accounts, dividends and private health insurance information directly from the ATO. This information becomes available to us progressively throughout July.

When you are ready, please contact our office to discuss alternate ways for you to provide your tax documents to us.

Income support (JobSeeker) – The Government’s JobSeeker payment has replaced Newstart allowance and provides financial help if you’re between 22 and Age Pension age and looking for work. It’s also for when you’re sick or injured and can’t do your usual work or study for a short time.

<https://www.servicesaustralia.gov.au/individuals/services/centrelink/jobseeker-payment>

Early release of superannuation – Applications for early release are accepted through ATO Online Services in myGov and are open now until 24 September 2020.

You will not need to pay tax on amounts released and will not need to include it in your tax return.

<https://www.ato.gov.au/individuals/super/withdrawing-and-using-your-super/early-access-to-your-super/>

Working from home – with more people working from home due to the impacts of COVID-19, the ATO have released special guidelines and deduction allowances that apply from 1 March 2020.

<https://www.ato.gov.au/general/covid-19/support-for-individuals-and-employees/employees-working-from-home/>

For further details on any of the above, please visit <https://treasury.gov.au/coronavirus/households>
Or [contact us](#).

Business Update

JobKeeper - The federal government's JobKeeper Payments scheme is a wage subsidy scheme to provide eligible employers who have taken a significant financial hit as a result of the COVID-19 outbreak. JobKeeper Payments will be paid to employers, for up to six months, for each eligible employee on their books on 1 March 2020 and is retained or continues to be engaged by that employer (including those who have been stood down). The scheme runs from 30 March 2020 to 27 September 2020. It is administered by the ATO.

<https://www.ato.gov.au/General/JobKeeper-Payment/>

Cash Flow Boost - Tax-free cash flow boost payments for employers with turnover of under \$50m is delivered as an automatic credit in the ATO's activity statement system. The Cash Flow Boost runs from the March through to the September Activity Statement.

[https://www.ato.gov.au/Business/Business-activity-statements-\(BAS\)/In-detail/Boosting-cash-flow-for-employers/](https://www.ato.gov.au/Business/Business-activity-statements-(BAS)/In-detail/Boosting-cash-flow-for-employers/)

Instant Asset Write-off increased to \$150,000 and extended to 31 December 2020 - 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 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.

<https://www.ato.gov.au/Business/Depreciation-and-capital-expenses-and-allowances/Simpler-depreciation-for-small-business/Instant-asset-write-off/>

Commercial Lease reductions - the Government has announced a mandatory code of conduct for commercial tenancies to assist businesses affected by the COVID-19 pandemic. The code sets out a **mandatory** code of conduct that outlines a set of good faith leasing principles for commercial tenancies, including retail, office and industry properties. It applies to relationships between owners, operators, other landlords and tenants. The code applies to tenants eligible for the JobKeeper payments and SME businesses with turnover of up to \$50m.

<https://www.pm.gov.au/sites/default/files/files/national-cabinet-mandatory-code-ofconduct-sme-commercial-leasing-principles.pdf>

For further details on any of the above, please
visit <https://treasury.gov.au/coronavirus/businesses>
Or [contact us](#).

Superannuation Update

Carry-forward (catch-up) contributions – new rules that allow super fund members to use any of their unused concessional contributions limit (or cap) on a rolling basis for five years. This means if you don't use the full amount of your concessional contribution cap (\$25,000 in both 2018/2019 and 2019/2020), you can carry-forward the unused amount and take advantage of it up to five years later.

(Note; you must have had a total superannuation balance of less than \$500,000 on 30 June 2019 to be entitled to use these rules in the 2019/20 financial year)

<https://www.ato.gov.au/super/self-managed-super-funds/contributions-and-rollovers/contribution-caps/>

Extension of work test to age 67 (proposed) - Treasury has released draft legislation which will allow taxpayers aged 65 and 66 to continue contributing to superannuation without meeting the work test.

Superannuation Contributions – for a superannuation contribution to be tax deductible in the 2019/20 financial year, it must have been cleared through your bank account before 30 June 2020.

We recommend contributions are made early to avoid any processing issues around the end of financial year.

Minimum Pension requirements for 2019/20 and 2020/21 - to assist retirees, the Government has reduced the minimum annual payment required for account-based pensions and annuities, allocated pensions and annuities and market-linked pensions and annuities by 50% in the 2019–20 and the 2020–21 financial years.

Commercial premises owned by SMSF – the ATO have confirmed they will not take any action where a SMSF landlord temporarily reduces or waives rent due to the impacts of COVID-19 in the 2019-20 and 2020-21 financial years. We recommend these variations are documented and the business is able to show that it has been impacted.

COVID-19 and Australian workplace laws

A **COVIDSafe plan** is a formal document that ensures your business is meeting its WHS (Workplace Health & Safety) obligations regarding to COVID-19 and details how the business will:

Prevent - Identify - Manage COVID-19 in the workplace.

With the opportunity to return to some form of normal operation it is easy to forget that there are specific obligations in a COVID-19 environment that need to be met that may not seem a priority as we strive to return to profitability.

The most important of these obligations is the overarching legal requirement for employers to take care of the health, safety and welfare of their workers (including themselves), other staff, contractors, volunteers, clients, customers and visitors to their workplace.

There is nothing new in regards to these obligations and every business is currently aware of and complies with them as they apply to their business. However they should be regarded as more than a requirement, they are a moral obligation and it makes sound business sense to provide a safe and harmonious work environment; it's also actually good for business.

As mentioned in our previous newsletter, we have partnered with [SJB Business Consulting](#) who are offering **simple plans tailored to your business for as little as \$440.**

Contact; steve@sjbconsulting.com.au or <https://sjbconsulting.com.au/>

Impact on financial markets:

How worried should investors be about a “second wave” of coronavirus cases?

The following note from Dr Shane Oliver at AMP takes a look at the risk of a "second wave" of coronavirus cases impacting economies and share markets.

The key points are as follows:

- A serious second wave of coronavirus cases in major developed countries is the biggest risk facing equity markets, and one investors will need to watch closely.
- However, provided any second wave is relatively mild in terms of pressure on health systems and deaths, its unlikely to cause the economic and investment market havoc seen a few months ago.

As such, AMP's base case remains that the pullback in shares over the last week is part of a correction in a broader rising trend, rather than the start of another big leg down.

[Click here to read the full article](#)