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**Tax
Time!**

WELCOME

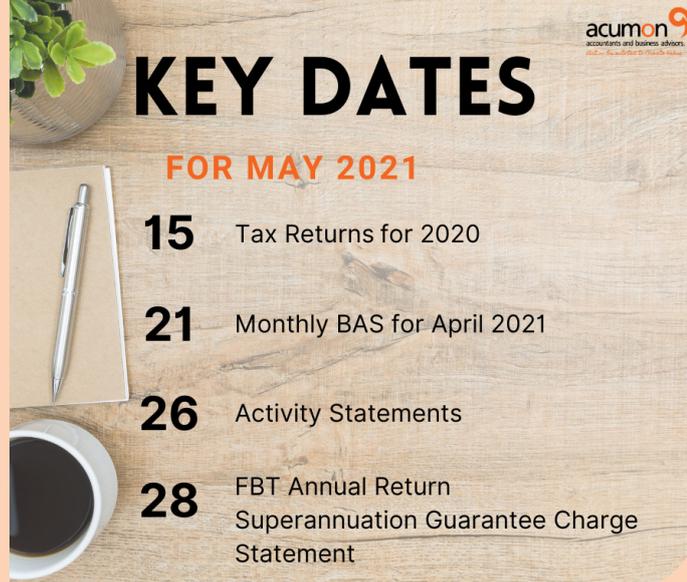
Autumn 2021

Welcome to the Autumn Acumon Connect quarterly newsletter. As we near the EOFY, here's your reminder to get prepared as much as you can now, ready for June 30. If you need an appointment, now is the time to book it in.

It has been an absolute pleasure welcoming two new team members, Phil Chen (*Trainee Accountant at Morisset*) and Jason Lourens (*Senior Accountant at East Maitland*) to the Acumon family.

Have a read of the updates on page 4 and 5 as we discuss some ATO changes, that may concern you or your business, coming into effect on the 1st July.

We hope you are well and enjoy the Newsletter.



KEY DATES

FOR MAY 2021

- 15** Tax Returns for 2020
- 21** Monthly BAS for April 2021
- 26** Activity Statements
- 28** FBT Annual Return
Superannuation Guarantee Charge Statement

TAX PLANNING

Are you ready?

30 June is only a matter of weeks away and as it nears, many business owners are not as prepared as they should be. Too often business owners end up suffering because they have procrastinated and not made a positive decision to be proactive. If you leave your tax planning until early June, quite frankly there may not be enough time to do anything significant to legally reduce your tax. Don't delay, call us today and get prepared.

How Our Tax Planning Process Works

First of all we look at your expected income and business profits for the financial year. Based on this information we estimate your taxable income and your tax payable before recommending tax planning strategies.

TAX PLANNING (CONT'D)

KEY DATES

FOR JUNE 2021

- 5** Tax Returns with due date of 15 May 2021
- 21** Monthly BAS for May 2021
- 25** Fringe Benefits Tax Annual Return
- 30** Super Guarantee Contributions



We will then discuss all your tax planning options including wealth creation ideas. We also provide you with a report, in plain English, that explains how much tax you will save.

Finally, we provide you with an easy to follow action plan to outline everything that needs to happen before June 30.

Book a tax planning meeting with us today and don't have any surprises when tax time comes.

HONEY GARLIC CHICKEN

TERRIFIC QUICK CHICKEN BREAST RECIPE - 12 MINUTES

This quick and easy Honey Garlic Chicken is an all time favourite for quick dinners that you will find yourself making over and over again.

Ingredients

- 500g chicken breast (2 pieces)
- Salt and pepper
- 1/4 cup (60g) flour
- 3.5 tbsp (50g) unsalted butter (or 2 1/2 tbsp olive oil)
- 2 garlic cloves (minced)
- 1.5 tbsp apple cider vinegar (or white or other clear vinegar)
- 1 tbsp soy sauce (light or all purpose)
- 1/3 cup (90g) honey (or maple syrup)

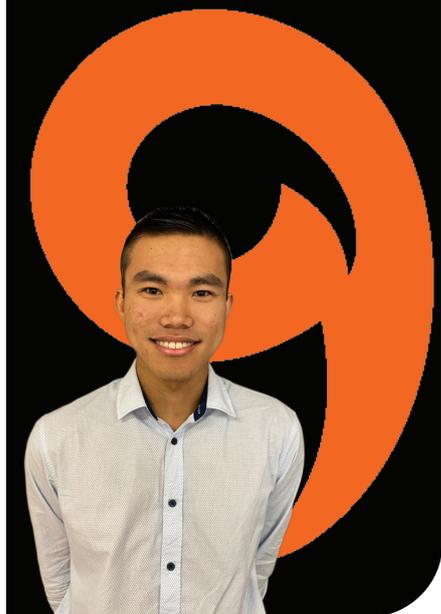
Method

1. Cut the chicken breasts in half horizontally to create 4 steaks in total. Sprinkle each side with salt and pepper.
2. Place flour in shallow dish. Coat chicken in flour and shake off excess.
3. Melt most of the butter in large skillet over high heat - hold back about 1 tbsp for later.
4. Place chicken in skillet and cook for 2 - 3 minutes until golden. Turn and cook the other side for 1 minute.
5. Turn heat down slightly to medium high.
6. Make a bit of room in the pan and add garlic and top with remaining dab of butter. Stir garlic briefly once butter melts.
7. Add vinegar, soy sauce and honey. Stir / shake pan to combine. Bring sauce to simmer, then simmer for 1 minute or until slightly thickened.
8. Turn chicken to coat in sauce. If the sauce gets too thick, add a touch of water and stir.
9. Remove from stove immediately. Place chicken on plates and drizzle with remaining sauce.



MEET THE TEAM

Meet the Team!



Phil Chen - Trainee Accountant at our Morisset office

We are excited to introduce trainee Accountant, Phil Chen.

Phil is currently undertaking his Bachelor of Business/Commerce at the University of Newcastle and is working in our Morisset office, completing bank reconciliation's, journal entries, end of year reporting and assisting our other accountants with tax returns and audits.

Phil has a real talent for understanding the needs of a client. Using his communication and customer service skills, he can ascertain their current situation and develop and deliver a practical solution.

Outside of work and Uni, Phil is interested in cars, wine and supporting the local community through regular blood donation, and participating in fundraisers such as the World's Greatest Shave.

Acumon is happy to have Phil on the team, and he looks forward to helping you as he builds his skills, knowledge and practical experience.

Jason Lourens - Senior Accountant at our East Maitland office

Meet our Senior Accountant, Jason Lourens.

Jason brings 6 years of accounting experience to the Acumon team, working with a wide range of clients – from small to large businesses, as well as individuals. He completes financial statements, BAS's, tax returns and other business advisory work for various entities including sole traders, partnerships, trusts, companies and Self-Managed Superannuation Funds. He also has specialist skills working with XERO.

Jason ensures that clients' needs are achieved in a stress-free manner, making their life easier - obtaining the best possible tax outcome for each client.

Jason says that the best thing about working at Acumon is "working on a diversified client base with a great, supportive, friendly and approachable team".

Outside of work Jason enjoys spending time exploring Australia with his wife. He also believes that a healthy body results in a healthy mind which keeps him going to the gym and playing social sport.

Meet the Team!



ATO TARGETS PROFITS OF PROFESSIONAL SERVICE FIRMS

Draft guidance to apply from 1 July 2021



The Australian Taxation Office (ATO) has released Draft Practical Compliance Guideline PCG 2021/D2 (draft PCG) setting out how it proposes to apply compliance resources when examining the manner in which profits by professional services firms are allocated to individual professional practitioners (IPP). Once finalised, the revised guidelines will apply from 1 July 2021.

What is the Draft PCG about?

The draft PCG outlines a “traffic-light” risk assessment that will be used to tailor compliance resources and may be used by taxpayers to understand the level of scrutiny they may expect from the ATO.

The risk weighting of a particular professional firm’s profit allocation arrangements will be benchmarked against three factors set out in the table below. The third factor is optional reflecting the difficulty that its use may occasion.

- Performance for each factor is assessed on a scale of 1 to 6.
- An overall score of 10 or less (7 or less where only the first two factors are applied) would result in a low-risk (green zone) rating
- A score of 13 or more (9 or more on a two factors basis) would result in a high risk (red zone) rating.

A rating in the red zone would result in an ATO review “as a matter of priority” while a rating in the green zone would likely only result in the ATO confirming the guidelines have been correctly applied (including that two gateway conditions noted below are satisfied).

Who do the changes apply to?

The draft PCG identifies professional firms providing accounting, architectural, engineering, financial services, legal and medical professional services as the target of the guidelines.

More generally, the guidelines may apply to any entity where those providing the services are required to be accredited and adhere to ethical standards administered by a governing body, possess special knowledge and skills derived from a high level of education and training, and uphold a high standard of behaviour in their professional activities.

What should professionals do now?

Professionals in existing business structures should review their existing structure to assess how they measure up with the requirements of the PCG, and whether a restructure is required.

The PCG is not the law in this area, it is just the ATO’s view on the matter. Where a professional firm’s structure is considered high risk under the PCG this does not mean necessarily there is a tax problem. There may be sound commercial reasons why the structure exists. A firm in this situation should use the PCG as a tool to assess whether a restructure should be undertaken to lessen the risk, or whether further work needs to be done to provide an ‘audit defence’ file to support the professional structure currently used.

SUPERANNUATION CHANGES

FROM 1ST JULY 2021

Changes from 1 July 2021 will impact how much money you can contribute to superannuation and how much you can have in your retirement phase superannuation account.



In general, your superannuation is either in an accumulation account (when you are building your super), a retirement account (when you meet preservation age and certain conditions of release and can withdraw your super), or in between when you are transitioning to retirement (when you reach preservation age, are working reduced hours and take some of your superannuation as a pension).

The amount of money you can transfer from your accumulation account into your tax-free retirement account is limited by a transfer balance cap (TBC). From 1 July 2021, the current \$1.6m general TBC will be indexed to \$1.7m and once indexed, no single cap will apply to all individuals (each person will have an individual TBC between \$1.6m and \$1.7m).

The amount you can contribute to super will increase

Indexation will increase the concessional and non-concessional contribution caps from 1 July 2021. These caps are indexed by average weekly ordinary time earnings (AWOTE).

Cap	Current cap	Cap from 1 July 2021
Concessional contributions cap	\$25,000	\$27,500
Non-concessional contributions cap	\$100,000	\$110,000

The bring forward rule

The bring forward rule enables you to contribute up to three years' worth of non-concessional contributions in the one year. That is, from 1 July 2021, you could contribute up to \$330,000 to your superannuation in one year. You can use the bring forward rule if you are 64 or younger on 1 July of the relevant financial year of the contribution and the contribution will not increase your total super balance by more than your transfer balance account cap.

If you are looking create wealth and use what you have built already to your best advantage, please contact us on 02 4931 1100. The material and contents provided in this publication are informative in nature only. It

is not intended to be advice and you should not act specifically on the basis of this information alone. If expert assistance is required, professional advice should be obtained.

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