

Superannuation a Reminder for Your Accountant.

The ATO has published two new fact sheets about superannuation on back payment of wages and the closure of the superannuation holding accounts special account (SHASA), on their website.

The first fact sheet titled Superannuation on Back Payment of Wages (effective 1 January 2006) warns employers that they will be subject to the superannuation guarantee charge if they fail to pay superannuation on wages or salary paid to former employees. Access this fact sheet at: www.ato.gov.au/print.asp?doc=/content/67149.htm

The second fact sheet reminds employers who use the Superannuation Holding Account special account to meet their superannuation guarantee obligations for their employees that the special account will close on 30 June 2006. Employers will have to make arrangements with complying super funds otherwise they will be required to pay the superannuation guarantee charge. Employee accounts in the SHASA at 1 July 2006 will be preserved and can be rolled over to another fund. This fact sheet can be found at: www.ato.gov.au/print.asp?doc=/content/66829.htm



New Simplified Accounting Method for Food Retailers

If you're a retailer selling both taxable and GST-free food from the same premises, and your point of sale (POS) equipment can record a certain level of GST information, you may be able to use the Tax Office's new simplified accounting method (SAM). The new SAM will be available from 1 October, subject to the passage of legislation.

You can use the new method, called the sales percentage method, if your business:

- Is registered for GST
- Undertakes little or no conversion of food (conversion of food must represent less than 5 per cent of annual sales)
- Sells both taxable and GST-free food at the same premises
- Has an annual turnover of \$2 million or less
- Has adequate point of sale equipment
- Is not a petrol station.

If your POS equipment can identify and record each separate supply as being GST-free or taxable, and can also identify and record separately the amount of GST and total sales, it's considered adequate. A cash register that has a GST-free or taxable key is not considered adequate, because it relies on the operator to determine the GST status of each item.

Tax Office Assistant Commissioner Basil Tropea said the sales percentage method will now give many small grocers and supermarkets previously unable to use a simplified method an opportunity to save money and time in meeting their GST compliance obligations.

"Some food retailers have had to spend up to four or five days a month to put together the information needed to work out their input tax credit entitlements. The sales percentage method will reduce that time, and demonstrates our commitment to an easier, cheaper, more personalised tax system," Mr Tropea said.

The accounting method calculates the input tax credits from data recorded by POS equipment that identifies taxable sales made in a tax period. Because it gathers information from POS equipment, the new SAM relies on current sales data, where the existing SAMs use historical data.

If you want to use the new SAM, you must notify the Tax Office, and you must use the method for a minimum of 12 months.

To get a copy of the election to use a simplified GST accounting method form, visit the Tax Office website at www.ato.gov.au or call 1300 720 092.

2006 Public Holidays

Good Friday	Fri	14/04/06
Easter Saturday	Sat	15/04/06
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