

# Employment Tax Health Check

September 2021

## Take the weight off your shoulders with a Nexia Employment Tax Healthcheck.

Salaries, Superannuation Guarantee and Staff Benefits can be some of the largest expenses on your profit and loss. Ensuring you accurately record your tax obligations is the difference between time consuming audits and compliance or time spent investing in your organisations skills and employee benefits.

### 1. Wage Code Review

*When was the last time you reviewed your wage code elements for Superannuation Guarantee, Payroll Tax and PAYG Withholding? The Australian Taxation Office and State and Territory Revenue Offices can impose hefty penalties of up to 200% if they detect inconsistencies that are not self-disclosed. Now is the time to undertake a self-review.*

Nexia will review your internal documentation which outlines how each pay code is currently being mapped from a Superannuation Guarantee, Payroll Tax and PAYG Withholding perspective. This review will ensure compliance with legislation and identify any risks or opportunities in your current process, prior to an audit being commissioned by the authorities.

### 2. Contractor Assessment & Review

*Are you comfortable with your contractor engagement process? Does it adequately calculate the relevant employment taxes for each contractor? If a contractor provides an ABN, there may still be employment tax considerations on the contractor payment.*

Nexia will meet and discuss your current contractor engagement process and assess whether it adequately covers the inherent risk when engaging contractors from an employment taxes perspective. Are you required to pay Superannuation Guarantee, should the contractor payments be required to disclose for payroll tax purposes? We will undertake an assessment

and provide a report summarising our review and comparison to best practice.

### 3. Post FBT Review

*Are there industry specific opportunities for concessions or exemptions on fringe benefits being provided to employees? Are you aware of all the fringe benefits provided to employees? Have your expatriate employees received benefits from their home country? How prepared are you, should FBT be included as part of the Justified Trust measures?*

Nexia will provide you with a comprehensive FBT review covering process, treatment and the positions taken by the organisation. We will discuss the technical consistency of the positions taken and identify risk areas or opportunities that should be considered.

### 4. Employment Taxes Healthcheck

*How comfortable are you that your Employment tax obligations are being met?*

Nexia will facilitate a discussion with the relevant stakeholders at your organisation to have a high level discussion surrounding PAYG Withholding, Payroll Tax and Superannuation Guarantee. We will prepare a high level traffic report assessing your key risks and opportunities within your organisation.

If you have any concerns about employment taxes or any questions in relation to the above, please contact your local Nexia Advisor.

#### Advisory Specialist



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