



July deadline looms for Employee Share Schemes

Employers face ATO penalties for this frequently missed deadline

- Many employers unaware of their Employee Share Scheme (ESS) reporting requirements due 14th July.
- Failure to provide ESS employee statements can incur ATO penalties.
- Many organisations simply do not have the facilities or expertise to prepare the required ESS reports.
- ESS infographic (enclosed) provides a comprehensive starting point for ESS reporting requirements.

With the Employee Share Scheme deadline a mere week away, are your clients ready to provide their employees with the required ESS statements on the 14th of July?

Whilst many employers encourage employees to participate in Employee Share Schemes (ESS), unfortunately many of the same organisations are unaware of, or do not fulfill, their annual reporting requirements when it comes to the ESS.

According to Kirsty McDonnell, Tax Director at Baskin Clarke Priest, if you haven't done so already, it's crucial to remind organisations of their upcoming ESS reporting obligations in order to avoid incurring ATO penalties for failing to lodge on time.

"The issue of ESS reporting is compounded by several factors this year. The pressure on accounting and tax professionals is no doubt amplified this tax season due to the numerous CoronaVirus Stimulus Initiatives that need to be managed. Add to this, the unprecedented strain on Government websites and systems, combined with the unique challenges of working from home for many industry professionals and the ESS deadline is something that can be all too easy to miss this year," Kirsty remarks.

According to Kirsty, the complexity of ESS reporting is another concern as many organisations simply do not have the facilities or expertise to prepare the required ESS reports.

In order to assist accountants and tax professionals, below is an infographic that provides a comprehensive starting point for ESS reporting requirements:

<https://www.dropbox.com/sh/st3wltkb1047mvp/AAB8EvLw1N-uP5ZvU1xfkEQea?dl=0>

Kirsty remarks; "The infographic provides an overview of the ESS reporting requirements for both employees and employers. Whilst the main elements that need to be included are outlined, much of the complexity lies in the recognising when certain taxing events in relation to employee equity awards occur."

It is this complexity, combined with the fact that lodgements for the 2015-16 financial year and onwards will only be accepted electronically in the ATO's approved software, that means that for most employers (and many accountants and tax professionals) seeking specialist advice from those

experienced in ESS is the optimal option this reporting season.

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