

Newsletter

The greatest compliment we receive from our clients is the referral of their friends, family and small business colleagues. Thank you for your trust.

Illegal super schemes – beware of offers to withdraw your super early

Have you ever been offered help to withdraw your superannuation (super) savings early?

Generally, you cannot access your super until you retire

Some people promoting illegal super schemes will tell you that they can help you access your super savings now for reasons like paying off credit card debt, buying a house or car, or even going on holiday.

These schemes are illegal. They will cost you a lot more than you expect and get you into a lot of trouble.

If you are approached about a scheme, you should contact the ATO on **13 10 20** immediately to make sure that your super savings are protected.

Your superannuation guarantee obligations

As an employer you have an obligation to pay super contributions on behalf of all your eligible employees. These contributions are in addition to your employees' salaries and wages.

This compulsory contribution is called the superannuation

guarantee and it requires you to:

- pay super for your eligible employees
- contribute to the correct super funds
- pay contributions by the cut off date each quarter.

The minimum super amount you have to pay is 9% of each eligible employee's earnings base. Your employee's earnings base is their ordinary times earnings, from 1 July 2008.

Generally, you have to pay super for your employees if they:

- are aged between 18 and 70
- are paid \$450 (before tax) or more in a calendar month
- work full-time, part-time or on a casual basis.

You also have to pay super for any employee who:

- is under 18 years of age
- you pay \$450 or more (before tax) in a calendar month
- works full-time, part-time or on a casual basis for more than 30 hours in a week.

You may also have to pay super for any employees who are visiting Australia on a temporary resident visa.

Important dates to mark in your calendar

March 31st 2010 – This is the cut off date for all 2009 Tax Return lodgments. If you have not yet lodged your tax return, please contact our office and speak to one of our accountants.

April 26th 2010 – Can you please ensure that you send in all BAS information for the January to March 2009 quarter to either Kerrie or Stacey by this date to avoid late lodgment and office administration fees for any extension applications that may need to be lodged.

Our News

Jennifer Poole is our new receptionist. She is here to offer you her mature experience and friendly service. She will answer your Conveyancing calls and direct you appropriately.

Some of you may remember our accountant **Michelle Donlan** who rejoins our office after some paternal leave. She is an experienced accountant and will be able to help you with all your business and individual tax and accounting issues.

Check our web page to familiarize yourself with our staff members.

ATO has introduced a new income tax processing system

The ATO is currently introducing a new income tax processing system, whereby data has been moved from the current system into the new system.

This has been a significant undertaking where the ATO has converted approximately 27 million taxpayer records, 32 million accounts and 282 million forms into their new system.

What does this mean for you?

Tax returns that have been lodged around this time may take longer than expected to process, which means delays in issuing refunds, if you are entitled to one.

If the ATO take more than 30 days after your income tax return is lodged to issue a notice of assessment and that assessment entitles you to a refund of tax, then they will pay you interest.

**Are you a
“Family Friendly
Workplace”?**

**Do you know the
government
offers grants for
such things?
Please look out for
our email update
and contact Gabi if
you think you may
qualify**



Beware of tax-related email scams

There are many different types of scams – online, phone, mail and face-to-face. Online scams, such as email ‘phishing’ scams are on the rise and are designed to trick you into giving away your money, passwords and/or personal details (such as your tax file number - TFN).

From time to time, the ATO may send you emails or SMS promoting new services or alerting you to due dates, for example tax time is approaching or that your business activity statement is due.

However, they will never send you an email requesting you to confirm, update or disclose confidential details like your name, date of birth, address, passwords, credit card details etc. If the ATO need to know this information, they will mail you a letter to your postal address.

Tax Planning

As you know, we are an accounting practice that prefers to be pro-active in our tax planning.

As such, we recommend that when you have completed your March 2010 financials (whether that be your BAS, own bookkeeping, or supplying your information to our bookkeeper) you contact our office. We are able to produce projected reports for you, projecting 9 months trading to 12 months, and therefore estimating your tax liability for the 2010 year almost a year before it is due.

Firstly, this aids in cash flow budgeting, but most importantly, it give us an opportunity to suggest some timely options for you prior to year end, which could save you tax! We are unable to make this mandatory practice for all of our clients, as we charge our normal fees for this service. However, if you are concerned about your tax planning and accounting affairs, we strongly recommend that you contact us for tax planning financials and a meeting with your Accountant to discuss same.

It may be too late in three months (year end) to do anything about any tax bill from your great efforts through the year!

Please contact our office should you wish to enquire further about this.



Finance options for Vehicles and Equipment

There are a number of different options when financing the purchase of vehicles and equipment for your business.

Each method has varying tax, GST and FBT implications plus your choice may also have an impact on your profit and cashflow. Let's briefly look at the four most popular finance options:

Chattel Mortgage

This is an attractive option for businesses that use the 'cash' method of accounting for GST.

Under this method, the GST component of the vehicle or equipment price can be claimed back on the next Business Activity Statement (BAS).

As the owner of the vehicle you can also claim a tax deduction for the depreciation on the vehicle and the interest component of the loan repayments. In addition, there is no GST on the loan repayments or on any balloon payment (if any) at the end of the contract.

Commercial Hire Purchase (CHP)

This finance option is generally suited to organizations using the 'accruals' method of accounting for GST or for individuals who use their motor

vehicles for business related purposes. For taxation purposes you 'own' the car and can therefore claim the depreciation and interest on the loan.

Finance Lease

This option allows the lessee to select a lease term to suit their cash flow. Lease rentals and residual values can be negotiated within a range set out under ATO guidelines.

Where the vehicle is used for business purposes, the lease rental will be tax deductible.

The tax deductibility will depend on the percentage of business use and whether or not the motor vehicle cost price

exceeds the Luxury Car limit.

Novated Lease

This is a 3-way arrangement between the employee, the employer and the financier. A fully maintained Novated Lease is an arrangement where all of the operating costs of the motor vehicle are included as part of your salary package.

Clearly, your choice of finance method is a vital decision. We urge you to contact our office to discuss the most tax effective option for your particular situation and through a panel of major lenders we can also assist you with the finance.

FREE - 30 minute property investment consultation

Owning an Investment Property is a proven way to conservatively build wealth and create a long term income stream.

Our office has established an alliance with **Tim Jess** of the **John Hopkins Group** to help you with property investment. The John Hopkins Group has 30 years experience in helping people choose the right investment property.

A good investment property will provide:

- Capital growth and returns
- Security of Assets
- Flexibility in loan structures

A good investment property will be easy to maintain and Tim Jess can help to educate you further on what is and what is not a great investment property. We have met with Tim a number of times and have been more than happy with his knowledge and his professionalism.

Tim has offered to meet with you (with no obligation) to discuss property investment fundamentals. He will help educate you on:

- What you need to afford an investment property (income and assets).
- Choosing the right investment property for you.

Contact our office to arrange for your FREE consultation.