

# Gorrell Long Robertson

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## SUMMER 2010

### Wishing you all a very Merry Christmas and a Happy New Year!

May you and your families have a safe, happy and fun Christmas. Thank you for your patronage, once again, in 2010 and we look forward to providing you with our best of service in 2011.

Best wishes from all of us here at GLR.

### \*CHRISTMAS CLOSING DOWN PERIOD\*

**N.B the office will be closed from 5pm Thursday 23 December to 8.30am Monday 10 January.**

#### Save Tax \$\$\$ - WHY NOT DONATE ?

If you are looking for a way to reduce your tax bill, then try this. It will also help those in need at the same time. So in the Christmas spirit, what better time to give to those in need. **GLR** donate to various Charities, through out the year, and as usual at Christmas to:

**World Vision**, to help buy 15 School Kits for children overseas. We hope that education will provide them a better future and to break the poverty cycle.

This is also in response to all those who agreed to us sending these newsletters via email, which saves printing, postage and paper. This also helps the environment. Thank you. ☺

#### Medicare Surcharge 1%

For 2009/10 tax year, the new limits are \$73,000 for an individual (was \$70,000) and \$146,000 for a couple (was \$140,000). This means that if your adjusted taxable incomes are over these limits **and** you do **not** have Private Hospital Cover, then you will be hit with an additional 1% surcharge on top of your 1.5% Medicare Levy you already pay.

#### Tax returns Due to be Lodged by 15 May 2011

As a client of ours, the 31 October deadline was **NOT** relevant. For most of our clients, returns are not due until **15 May 2011**.

However, if you have not lodged **prior years'** returns, please contact us ASAP, as late fines may apply.



#### Our Services

A reminder of some of the services we provide:

- SMSF (Self Managed Superfunds)
- Salary Packaging advice
- Payroll services (eg IT Contracting)
- Small Business advisory specialists
- All entity advice, financial statements, BAS and tax returns for all business structures
- Business start ups and ongoing assistance

If unsure if we provide a particular service please contact us.

#### DIY Superfund's (SMSF)

##### Yes we do provide this service

More and more people are finding that setting up your own Super Fund is a good idea. Usually, this is the case when leaving the Public Service but can be beneficial in other circumstances also.

##### The Benefits:

1. Control of your own money.
2. No management fees, or at least reduced.
3. More flexible investment strategies.
4. Lower cost structure.
5. Fun of investing.

If you are interested in setting up your own fund, please call us to discuss it in more detail.

#### Scam Emails – BEWARE!!!

Please be aware of scam emails that are being circulated at times. Neither the ATO or banks will ask you to provide bank account details to deposit refunds or other funds. Also do not click on links to provide or check details. The ATO or a bank will always contact you via a letter if they want information. If in doubt please feel free to call us.

### **New Super Contribution Rules!**

From 1 July 2009, the maximum contribution caps, have been halved to:

- Under 50 yrs - \$25,000 p.a
- Over 50 yrs - \$50,000 p.a

So you need to review your current Salary Sacrifice amounts, because if you are over the cap, an excess tax of 31.5% will apply, on top of the 15% already applied. **That's 46.5% tax.**

Also, keep in mind that your 9% employer contribution is included, and for Public Servants, the Productivity component is included in the cap.

### **Centrelink Pensions**

You **may** be entitled to some age pension if:

Your income is less than \$41,033pa for a single or \$62,795pa for a couple **and** your non home assets are less than \$659,250 as a single or \$978,000 as a couple. Also, you may be entitled to the **seniors Health Care Card** if your income is less than \$50,000 as a single or \$80,000 as a couple.

This is the simplistic version of details, but if you think you may be entitled, it is worth contacting Centrelink to find out more. [www.centrelink.gov.au](http://www.centrelink.gov.au)



### **Christmas Fringe Benefits**

Basically, if the cost of the benefit, say a Christmas party or present, provided to the employee costs under \$300, then there is no FBT or tax payable.

### **The Education Tax Refund**

Will apply for your **2010** tax return **only if you are eligible for FTB Part A**. Different levels apply for Primary (\$390) & Secondary students (\$779) and you are entitled to 50% of eligible expenses which include computers, internet connection, education software & textbooks. **Note that School Fees and uniforms do not apply.**



### **Salary Packaging Cars**

Still a great way to save tax and get that new car. However, it can now be even better. With the increase in the tax bracket for the top tax rate to \$180,000, the irony is that the benefit of salary packaging is reduced. **But**, if you can also do the Employee Contribution Method (ECM), the benefits are restored. For more details, please contact us.



### **Medical Rebate**

A 20% rebate is available on the net medical expenses your family pay per year over \$1500 (Increasing to \$2000 for the 10/11 year). Eligible medical expenses include:

- Chemist prescriptions
- Optical costs
- Physiotherapy
- Nursing Hostel Costs (approved facilities).
- Normal Doctor/Hospital costs.
- Dental (including Braces)
- Medical aids (artificial limbs, eyes, hearing aids, wheel chairs etc)

### **GLR Quality Service**

Our apologies for how long we may take to process your tax returns at times. However, we would like you to understand why this is so.

Reasons are:

Providing advice on a daily basis, meeting ATO deadlines, providing info to banks for loans, prioritising clients to avoid late penalties by the ATO, and on top of that, making sure every tax return we do is reviewed by a fully qualified and experienced Tax Accountant before you sign it. Unlike some operators, who do it quickly but, in our opinion, in many cases provide a sub standard job. Although some claim to find you every tax deduction you are entitled to, our experience is that this is not the case. And would you know?

In some cases a simple piece of tax strategy can save \$000's in tax. Even though we are not perfect all the time either, we believe that on the whole, the quality of our service is superior to many.

**So please understand that in taking so long, we are trying to maintain our standard of service to you.**