



Newsletter, April 2012

Practice Update

I hope everyone enjoyed the Easter break. The end of the financial year is fast approaching so it will be a busy time for me. It's important for tax estimates to be prepared so tax planning opportunities can be discussed and implemented before 30 June. Superannuation contributions are only deductible in the year that they are received by the superannuation fund so consider making payments before 30 June. This also means that you need to make sure contributions are received by your fund before 30 June if you want them to count against your contribution limit for the current year.

Superannuation Co-contribution Changes and Window of Opportunity

Take advantage of maximising your super co-contributions before 30 June 2012 as the Government has proposed halving the co-contribution from July 1. The proposed reduction will be made by reducing the maximum benefit from \$1,000 to \$500 and halving the matching rate from \$1 to \$0.50. The changes mean the upper income threshold where you are entitled to at least a partial co-contribution will reduce from \$61,920 to \$46,920 (the lower threshold will remain at \$31,920).

Private Health Insurance Rebate Changes

Legislation was recently passed to means test the rebate on private health insurance and increase the Medicare Levy Surcharge (MLS). These changes will take effect on 1 July 2012 and will impact singles earning over \$84,000 and families earning over \$168,000.

	No change	Tier 1	Tier 2	Tier 3
Singles	up to \$84,000	\$84,001 - \$97,000	\$97,001 – \$130,000	\$130,001 or more
Families	up to \$168,000	\$168,001 - \$194,000	\$194,001 - \$260,000	\$260,001 or more
PHI Rebate				
up to 65 years	30%	20%	10%	0%
65 - 69 years	35%	25%	15%	0%
70+ years	40%	30%	20%	0%
MLS	0%	1%	1.25%	1.50%

* Green indicates current indexed arrangements and yellow indicates changes.

You can continue to claim your rebate as a premium reduction through your health fund and the ATO will determine the amount of your rebate entitlement when you lodge your tax return. If you apply the wrong rebate amount then either a refund or liability will be included in your tax assessment.

Lodgement Dates

The December quarter has now ended so you should be aware of the following dates:

- 28 April 2012 March quarter superannuation due
- 30 April 2012 March quarter Business Activity Statement (BAS) due
- 15 May 2012 2010/11 income tax return due for all taxpayers not requiring earlier lodgement

Did you know that if your Tax Agent lodges your quarterly BAS electronically, you get a four week electronic lodgment and payment concession? This means that the March quarter BAS is due for lodgment and payment by 26 May 2012.

Kind regards,
Nick