



## Newsletter, October 2012

### Practice Update

I've been enthusiastic to help all the new clients that the new financial year brings. I also appreciate all the referrals from our existing clients and business partners. Winter is over; it's now time for daylight savings to begin so I can enjoy some sunshine when I leave the office.

Hayley and I went away for a weekend recently. I brought along a surprise present which I ended up carrying around all weekend while waiting for the right moment. Late on the Sunday afternoon I presented Hayley with a ring that I had personally hand crafted:

She wasn't expecting it but we're now engaged (my pipe cleaner crafting skills must be okay).



### Superannuation limit reduction – review your current arrangements now

From 1 July 2012, concessional contribution limits have been halved from \$50,000 to \$25,000 for all individuals. This limit applies on a 'per person', 'per year' basis. If you currently salary sacrifice or contribute directly to super on a regular basis, you need to ensure that the limit is not exceeded to avoid excess contributions tax (levied at 31.5% to the individual).

Concessional contributions include all employer contributions (superannuation guarantee and salary sacrifice) and personal contributions claimed as a tax deduction by a self-employed person.

If you are a member of a constitutionally protected fund (like SuperSA), concessional contributions are not counted towards your concessional contribution limit so you don't have to worry about any changes. You can contribute as much as desired each year (until your balance reaches the untaxed plan cap, currently \$1,255,000).

### Superannuation concessional contributions for higher income earners – budget proposal still not law

The Government announced that from 1 July 2012, the contributions tax paid on concessional contributions for individuals with income greater than \$300,000 will increase from 15% to 30%. Draft legislation is expected to be released in October as Treasury are still consulting with various parties on the design and implementation of this measure. It is expected that the legislation will bring the measures into effect from 1 July 2012.

It is proposed that the additional 15% tax will be imposed on the individual (not the superannuation fund) but the individual can request that their superannuation fund pay the additional tax on their behalf.

### Lodgement Dates

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

- 28 October 2012 September quarter superannuation due
- 28 October 2012 September quarter Business Activity Statement (BAS) due

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 September quarter BAS is due for lodgment and payment by 25 November 2012.

Kind regards,  
Nick