



Newsletter, October 2018

Practice Update

I hope everyone is enjoying the start of daylight saving (I enjoy it still being daylight when I leave the office). August is probably the busiest month of the year for me (I help businesses meet all their year-end employee obligations while also assisting with completing their BAS and varying PAYG instalments) which makes September excessively busy too. Daylight savings helps to divided these two periods.

The national basketball season has started so I can enjoy getting to the games. It's going to be hard for Adelaide to make the grand final again this season but they have just beaten Sydney twice.

Superannuation contributions from "downsizing" (and upsizing) your home

From 1 July 2018, the Government will allow a person aged 65 or over to make a non-concessional contribution of up to \$300,000 from the proceeds of selling their home (if owned for at least ten years). Such contributions will be exempt from the age test, work test, non-concessional contributions cap and \$1.6 million total superannuation balance test. Your spouse can also make a \$300,000 contribution even if they did not have any ownership interest in the home.

You don't have to downsize as there is no requirement to buy a cheaper or smaller home (or even buy another home). You could contribute the full sale proceeds (up to the limit) into super then use funds from other sources to purchase a larger or more expensive home.

You will be eligible to make a downsizer contribution to super if you can answer yes to all of the following:

- you are 65 years old or older at the time you make a downsizer contribution (there is no maximum age limit);
- the amount you are contributing is from the proceeds of selling your home where the contract of sale exchanged on or after 1 July 2018;
- your home was owned by you or your spouse for 10 years or more prior to the sale – the ownership period is generally calculated from the date of settlement of purchase to the date of settlement of sale;
- your home is in Australia and is not a caravan, houseboat or other mobile home;
- the proceeds (capital gain or loss) from the sale of the home are either exempt or partially exempt from capital gains tax (CGT) under the main residence exemption, or would be entitled to such an exemption if the home was a CGT rather than a pre-CGT (acquired before 20 September 1985) asset;
- you have provided your super fund with the Downsizer contribution into super form either before or at the time of making your downsizer contribution;
- you make your downsizer contribution within 90 days of receiving the proceeds of sale, which is usually at the date of settlement;
- you have not previously made a downsizer contribution to your super from the sale of another home.

Lodgement Dates

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

- 28 October 2018 September quarter superannuation payment due
- 29 October 2018 September quarter BAS due

Did you know that if your Tax Agent lodges your quarterly BAS electronically, you get a four week electronic lodgement and payment concession? This means that the September quarter BAS is due for lodgement and payment by 25 November 2018. Please contact me if I can be of assistance.

Kind regards,
Nick