

Judy's Diary

What a year 2014 turned out to be! Noel and I welcomed the arrival of our first granddaughter Grace who was born on the 29th June. She is the first child for my son Kieran and his partner Sarah whom also got engaged late last year with plans in place for a wedding this year. My daughter Elysia, also got engaged to her partner Adam on Boxing Day and is busily planning her wedding for September this year.

Noel changed his job after 34 years with Queensland Rail/Aurizon. Safe to say he is absolutely loving it and enjoying working a 9 day fortnight. As many of you know we do like to travel and with the change in Noel's job we now have more opportunities to get out and about on his 3 day long weekends with the caravan in toe.

Tax Time is here and once again there has been many changes to tax legislation. We have highlighted just a few of these changes which we feel will have a drastic impact on many of you. If you have any questions please call our friendly staff who would be happy to discuss further.

Yours in friendship and taxation,

Judy

WHAT'S HAPPENING AT HCA

Tracy Connolly joined our team on a casual basis in July 2014. She adapted to the fast paced world of accounting and taxation and has since cemented her place as our new Receptionist.

Michelle Keiler was welcomed to our office in March 2015. She is a member of our bookkeeping department and brings with her many years of accounts experience.

Amanda Evans is an existing member of the HCAT family who has taken up a new role in our taxation team.

Sara Laver has completed her Bachelor of Accounting. She is still an active member of our taxation team and is looking forward to seeing some of you in person this year. To make an appointment with Sara, please call our office.

TEMPORARY BUDGET REPAIR LEVY

As part of the 2014-15 Federal Budget the Government announced that it will impose a temporary Budget Repair Levy of 2% on that part of a person's taxable income which exceeds \$180,000.

The Levy will apply from 1 July 2014 and apply to the 2014-15, 2015-16 and 2016-17 financial years.

Changes to Zone Rebate Entitlements for Fly-in Fly-Out Workers

From 1 July 2015, Fly-in Fly-out (FIFO) workers will be excluded from the Zone Tax Offset (ZTO) where their normal residence is not within a particular "zone". However for those FIFO workers whose normal residence is in one zone, but work in a different zone, they will retain the ZTO entitlement associated with their normal place of residence.

Mature Age Worker & Dependent Spouse Tax Offset ABOLISHED

As part of the 2014-15 Federal Budget, the Government announced that the Mature Age Worker and Dependent Spouse Tax Offset will be abolished from 1 July 2014.

In addition to the Dependent Spouse Tax Offset, a person who is eligible for the zone, will from 1 July 2014, only be entitled to claim for a dependent (including a spouse) who is an invalid or cares for an invalid. This will effect those of you who claim a zone rebate immensely.

Medicare Levy Increase

The Medicare Levy increased to 2% as of 1 July 2014 and will take effect in the 2014-15 year.



HAPPY RETIREMENT CHRIS

In April of this year we farewelled Chris who has been an integral part of the team since 2006. She was the original receptionist before transferring to our bookkeeping team where she enjoyed working until she retired. We wish Chris and Darcy a very happy retirement.

Super Guarantee Update

The current super guarantee rate is 9.5% effective from 1 July 2014.

The rate will remain at 9.5% until 30 June 2021 and then will increase by 0.5 percentage points each year until it reaches 12%.

Small Business Accelerated Depreciation

The government announced that it will significantly expand accelerated depreciation for small business. It will do this by allowing small businesses with aggregate annual turnover of **less than \$2 million** to immediately deduct assets they start to use or install ready for use, provided the asset costs **less than \$20,000**.

This will apply for assets **acquired and installed ready for use between 7:30pm 12 May 2015 and 30 June 2017**.

Assets purchased and installed prior to 30 June 2015 will be an eligible deduction in the 2014-15 tax return.

From 1 July 2017, the thresholds for the immediate depreciation of assets will revert back to assets less than \$1,000.



CONCESSIONAL CONTRIBUTIONS CAP

Concessional contributions include:

- Employer contributions (including contributions made under a salary sacrifice arrangement)
- Personal contributions claimed as a tax deduction by a self-employed person

If you have more than one fund, all concessional contributions made to all your funds are added together and count towards the cap.

| Income Year | Amount of Cap | Amount of Cap |
|-------------|---------------|---------------|
| | up to 49 | 49 & over |
| 2014-15 | \$30,000 | \$35,000 |
| 2015-16 | \$30,000 | \$35,000 |

Last Year Eligible for Net Medical Expenses Tax Offset

The net medical expenses tax offset (NMETO) is being phased out. To be eligible for NMETO for 2014-15 you must have received an amount of the tax offset in **both** the 2012-13 and 2013-14 income tax years greater than zero.

The offset will continue to be available to those taxpayers with out-of-pocket medical expenses relating to disability aids, attendant care or aged care expenses until 1 July 2019.

Tax Cut For Small Business

From the 2015/16 income year the government will deliver a tax cut to all small businesses by reducing the company tax rate. The company tax rate will be reduced from 30% to **28.5%** (a 1.5% reduction) for companies with an aggregated annual turnover of less than \$2 million.

Employers and SMSFs must prepare for SuperStream



SuperStream is a government reform aimed at improving the efficiency of the superannuation system. Under SuperStream, employers must make super contributions on behalf of their employees by submitting data and payments electronically in a consistent and simplified manner.

With the 30 June 2015 deadline fast approaching for **medium to large employers** to be SuperStream compliant, the ATO is urging these employers to act now to ensure they are SuperStream ready.

For small employers, with 19 or fewer employees, SuperStream starts from 1 July 2015 but they have until 30 June 2016 to be ready, however they can start using SuperStream earlier, if possible.

Employees of these taxpayers who are members of a **self-managed super fund (SMSF)** have the same deadline.

For SuperStream to work efficiently, employees with SMSF's must provide relevant e-commerce details to their employer so they can update their payroll system. This information includes: ABN, Bank Account Details and Electronic Service Address.

For more information regarding SuperStream head to:

<https://www.ato.gov.au/Super/SuperStream/>