

STS TAX TALK

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We hope you find the latest copy of our newsletter as informative as our others and a valuable tool in your wealth creation!

Superannuation changes

Trauma Insurance

A draft determination advises that trustees of Self Managed Superannuation Funds can purchase a trauma insurance policy in respect of a member and still satisfy the sole purpose test.

However, if a trustee purchases a trauma insurance policy that provides for benefits to be paid directly to someone other than the trustee (for example, the insured member or a relative) this would be inconsistent with the sole purpose test.

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Superannuation changes continued.

Same-Sex Relationships

Changes to the law require regulated superannuation funds to recognise same-sex relationships from 1 July 2009. The changes amend tax law affecting super death benefits, death benefit termination payments and other Acts that regulate the super industry.

The result is:

- The definitions of 'spouse', 'child' and 'relative' in the Superannuation Industry (Supervision) Act 1993 and other super laws include same-sex partners and their children.
- The definitions of 'dependant' and 'spouse' in the income tax laws include same-sex partners and their children for anti-detriment payments a super fund makes.
- Same-sex partners and their children under 18 years are treated as dependants for the purposes of taxing super death benefits.

Superannuation Clearing House

The Government has announced a superannuation clearing house service will be available to small businesses from 1 July 2010, at no cost.

Small business (i.e. a business with less than 20 employees) can forward their employees' superannuation contributions to the clearing house through Medicare. Medicare will then forward them on to the nominated superannuation funds.

Employers will fulfill their superannuation guarantee obligations when payments of the correct amounts are made to the clearing house.

Registration for the service will commence from May 2010.

New Non-Commercial Loss Rules for High Income Earners

A proposed amendment tightening the non commercial loss rules will apply to the 2009/10 and later income years for tax payers with adjusted taxable incomes of \$250,000 or more from offsetting losses for non-commercial activities against their salary, wages or other income.

Individual taxpayers with an adjusted taxable income above the threshold cannot access the tests. The losses will be quarantined and can only be applied against future assessable income from that activity.

However, an individual can apply to the Commissioner to exercise the discretion not to apply the non commercial losses rules.

Rates and Thresholds

The tax office has released the following rates for the 2009/10 income year:

- Car depreciation limit and luxury car limit \$ 57,180.00
- Overtime meal allowance expenses \$ 24.95
- Benchmark interest rate for the deemed dividends provision
5.75%

“Being successful is a learnable skill. It isn't something we're born with. We can either work it out ourselves or we can learn it from others.”

What is a 1515—payg withholding variation continued.

The information you would need to complete the form are

- Expected rentals for next 12 months.
- Expected expenses on property over next 12 months.
- Interest payments to bank for the next 12 months
- Weekly, fortnightly, monthly salary and current tax paid on these.
- Budgeted depreciation.

If your circumstances change during the year you may need to lodge an amended section 1515 variation with the ATO if:

Your employment details change during the year. This includes changing jobs/employers and changes to your pay/salary structure ie: such as a pay-rise, a bonus, or inclusion of a Motor Vehicle Non-Taxed Allowance in your package.

OR

If you Purchase an additional negatively geared property.

OR

If you sell an existing negatively geared property.

Attached is a form that we have devised that will help you calculate your estimated rental income and expenses:

STS complimentary mentoring program on offer to our clients:

Access to the STS website containing:

- * Spreadsheets and information worth \$1000's to help you maximize your tax deductions
- * Pro-formas that assist you in preparing documentation to help bullet proof you from a tax office audit
- * Newsletters designed specifically for our clients
- * MP3 files of our recent teleconferences, for download
- * Personalised Tax Data Collection form

Other complimentary services we offer:

- * We conduct a free review on your prior year's tax return
- * You are able to partake in our teleconferences – ask any general questions, suggest topics to be covered, hear expertise to help in your wealth creation process.
- * You can attend our FREE annual seminar

Feedback

As you are a valued client, we appreciate your ideas on how we can better meet your expectations. If you would like a topic covered please let us know. We look forward to any comments or suggestions you may have—please contact us on stsadmin@superiortax.com.au.

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creation team***



Up-to-date Details

Please make sure your contact details are up-to-date as we will be sending private and personal information to you by email and post.

This newsletter is not specific advice for your personal situation. Please do not act solely on the content of this newsletter. Please seek professional advice before proceeding.