

PALMER & ASSOCIATES

CERTIFIED PRACTISING ACCOUNTANTS

Newsletter - February, 2016

IMPORTANT ANNOUNCEMENT

We would like to announce the promotion of Natasha Dawson to Partner at Palmer & Associates.

Many of our clients have already had the privilege of working with Natasha for many years and value her knowledge and assistance with tax and business related matters.

Natasha has worked with Lloyd Palmer for almost 12 years and during that time has built a strong reputation for expertise in all areas of accounting.

Natasha began studying small business management and accounting in 2001. She has received her Bachelor of Business (Accounting), and is a qualified CPA and Public Practitioner.

Natasha is a tremendous asset and her new position will greatly enhance the firm. Congratulations!



Work in the not-for-profit sector or for hospitals or ambulance services?

From 1 April 2016, changes to salary sacrificed meal entertainment and entertainment facility leasing benefits come into effect. A single grossed-up cap of \$5,000 will apply to these benefits from this date. Many people in these sectors benefit from these concessions so it's important to check the changes and their implications for you.

WARNING

Cancellation of Trust ABNs

The ATO **advises** that the Registrar of the Australian Business Register (ABR) will begin cancelling the ABNs of approximately 220,000 trusts in February where there is evidence they are no longer carrying on an enterprise.

You will receive a letter if your ABN has been cancelled.

Are your super saving goals on track?

The new calendar year is a good time to conduct a superannuation health check and set some new goals to help boost superannuation savings. Although there have been no seismic shifts in the superannuation landscape of late, it may be prudent to reacquaint yourself with the rules. The following are some considerations.

- Make extra contributions – the general concessional contributions cap is \$30,000 for 2015-2016. For people aged 50 and over, there is a higher concessional contributions cap of \$35,000 for 2015-2016.
- Check super savings – it is a good habit to check your super balance regularly. You may also want to protect your super from identity theft. For example, you may want to change passwords for accounts that can be viewed online.
- Look for small lost super accounts – the threshold below which small lost super accounts will be required to be transferred to the ATO has increased to \$4,000 (from December 2015).
- Consolidate multiple super fund accounts – you may want to consider consolidating multiple super fund accounts. This may help avoid paying multiple fees, reduce paper work, and make it easier to keep track of your super.
- Salary sacrifice super – you may want to ask your employer about salary sacrificing super, or you may want to consider reviewing existing arrangements with your employer. However please be aware of the contribution caps as mentioned above.

TIP: Professional advice should be obtained before implementing a new retirement saving strategy.

SMSF Binding Death Benefit Nomination (BDBN)

What is a binding death benefit nomination?

It is when you nominate a person/persons to receive your death benefit from your Self-Managed Superannuation Fund (SMSF).

We recently sent out a letter along with a fact sheet and forms to our SMSF clients to emphasise the importance of having a nominated beneficiary for your superannuation benefits and to remind those whose forms have expired.

It has come to light that in order to guarantee the validity of your nominations, a review should take place every three years, regardless of whether your deed states otherwise.

Payment of death benefits from a SMSF is determined in accordance with the governing rules of the fund, and not (as most people think) in accordance with the terms of your will. Superannuation benefits are dealt with outside of your will.

The Death Benefit Nomination Form (BDNF) enables you to nominate the person or persons who will receive your superannuation death benefit either directly or via your estate.

Circumstances do change. It is important to check and update your BDNF to ensure your death benefits are paid to the correct person and according to your wishes.

If you have not received your letter or misplaced the forms, or if you would like more information, please contact us and we will be more than happy to assist you.

SMSF and related party loans

The ATO is looking closely at related party loans in SMSFs. If your fund has borrowed money from a related party, for example a member of the fund, to acquire an asset, and the terms of that loan are not at arm's length or well documented, then you need to get the paperwork and the loan terms in order ASAP. While the ATO have stated that they are not necessarily looking at arrangements before the 2014-15 income year (unless it comes up in audit), you can expect much closer scrutiny from now on.

Super and Social Security

The social security income test tightened on 1 January 2016 for superannuants. If you receive defined benefit income from your superannuation, a larger portion of this income will now be taken into account when applying the relevant social security income tests- capping the proportion of income that can be excluded at 10%. This affects aged care fees, income support payments, the Low Income Health Care Card, etc.

Got kids?

The reforms to social welfare in the last few Federal Budgets didn't quite make it through the Senate in full. But, times have changed and Palmer United is no longer the Senate 'king pin' it once was- directing traffic on Government policy and social reform.

One change that did pass Parliament was the '**no job, no pay**' reforms. From 1 January 2016, if your kids are not immunised then your family is no eligible for subsidised childcare or the Family Tax Benefit Part A end of year supplement.

ATO data matching real property transactions

The ATO has issued a notice announcing that it will be acquiring details of real property transactions for the period 20 September 1985 to 30 June 2017 from various state revenue offices and tenancy boards. In relation to rental properties, the ATO is seeking details of rent paid and contract details of landlords. In relation to property transfers, the ATO is seeking details of the transfers, including details of the transferors and transferees and any state land tax and/or stamp duty concessions sought.

The information will be matched to the ATO's data holdings. The ATO said an objective of the data matching program is to ensure taxpayers are correctly meeting their taxation obligations. The ATO expects that around 31 million records for each year will be obtained. Based on current data holdings, the ATO said records relating to approximately 11.3 million individuals are expected to be matched.

TIP: The data matching program goes all the way back to the start of the capital gains tax (CGT) regime in September 1985. Some commentators suggest this could be the ATO looking for CGT revenue on previously undeclared capital gains or incorrectly claimed CGT concessions. Note also that the ATO intends to carry on its data matching program from 2017. It will no longer announce details of its program, as law changes will



Are you following us on [Facebook??](#)

Our aim is to provide relevant information to inform and help create opportunities for our clients. Please note: many of the comments in this publication are general in nature and anyone intending to apply the information to practical circumstances should seek professional advice to independently verify their interpretation of the information's applicability to their particular circumstances. If you require further information regarding the contents of this newsletter please do not hesitate to contact our office.