PALMER
& ASSOCIATES

CERTIFIED PRACTISING ACCOUNTANTS

February, 2017

IMPORTANT ANNOUNCEMENT

➢ Congratulations Matthew Henshall

We would like to announce the promotion of Matthew Henshall to Partner at Palmer & Associates.

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

Matthew has worked with Lloyd Palmer and Natasha Dawson for almost 8 years and during that time has built a strong reputation for expertise in all areas of accounting.

In addition to helping clients reach their goals, Matthew's other great passion is sport. If there is something being kicked, pitched, bowled or hit somewhere in the world it is guaranteed that he will be watching. He never misses a game of his beloved Collingwood Football Club or West Ham United.

Matthew's calm, professional demeanour coupled with his excellent technical and interpersonal skills makes him a valuable asset to the firm and a valuable adviser to his clients.

➢ Important Changes to Superannuation - $1.6M Transfer Balance Cap

From 1 July 2017 there will be a $1.6 million superannuation transfer balance cap on the total amount of superannuation that an individual can transfer into retirement phase accounts.

The cap will be applied to both current retirees and to individuals yet to enter their retirement phase. For current retirees this means that if they have more than $1.6 million in pension phase, they will need to withdraw the excess balance or revert the excess amount to accumulation phase (which is then subject to 15% earning tax), by July 2017.

If you believe you may be affected by this new cap please contact us at your earliest convenience so we can discuss appropriate strategies to minimise the impact these changes will have on your superannuation.

Greater access to superannuation contribution deductions

You may soon be able to claim a tax deduction for personal super contributions. Currently you cannot deduct personal super contributions if 10% or more of your income comes from wages and salaries.

From 1 July 2017 the Government will allow individuals under the age of 65 or those aged between 65 and 75 years who pass the work test to claim a tax deduction for any personal superannuation contribution made to an eligible superannuation Fund. To access this tax deduction, individuals will need to lodge an intention to claim a tax deduction form with their superannuation fund. These amounts will count towards the individuals concessional contributions cap and will be taxed at the rate of 15%.

Those who can benefit the most from this reform are anyone who cannot salary sacrifice super contributions and those who are retired and wish to make a deductible personal super contribution in order to reduce any taxable income they receive from outside of superannuation. In particular this could benefit anyone who sells an investment property.

Extending the Spouse Tax Offset

From 1 July 2017 the Government will extend the current spouse offset to assist more couples to save for retirement.

The 18 per cent tax offset of up to $540 will be available for any individual contributing to a spouse with an income up to $37,000. This has increased from the current limit of $10,800.

This equates to a contribution of up to $3,000.

FBT Reminder

With the end of the current FBT year, being 31st March we will soon be circulating our FBT checklist to business clients to evaluate if they have a reporting requirement where FBT is concerned.

Clients who know or think they're providing fringe benefits to employees should contact us for assistance in reviewing compliance obligations along with any tax implications.

Fringe benefits are benefits paid to an employee (or associate) in respect of employment, such as a car, meal entertainment, low interest loans, living away from home allowances and payments of private expenses.

Fringe Benefits Tax (FBT) is the tax payable on the provision of these benefits. We can help you to understand which benefits are exempt from FBT and which are liable for the tax. FBT is separate from income tax and is calculated on the taxable value of the various benefits provided.

If your business provides fringe benefits to employees then there is the requirement to:

- Calculate how much FBT you have to pay
- Keep the necessary FBT records
- Register for FBT
- Report fringe benefits on your employees' payment summaries
- Lodge a return and pay FBT to the Australian Taxation Office (ATO)

Please contact our office if you would like further information.

Are you struggling with your business bookkeeping?

Here at Palmer & Associates we provide accurate and reliable bookkeeping services customised to meet your business requirements and goals. Our aim is to deliver affordable bookkeeping solutions to alleviate your stress and allow you to concentrate on what you do best - running and growing your business!

Our experienced team will work with you to provide a personalised service ensuring your business bookkeeping is effective, efficient and ATO compliant. We are certified for all the major software packages including XERO, MYOB, Reckon & Quickbooks and have experience with many other systems.

Please contact our office if you would like further information.