

# CLIENT NEWSLETTER

Port Lincoln  
June 2018



Welcome to the latest news from the RSM Australia, Port Lincoln office. We would like to share with you our year-end tax planning tips and check list, changes to Superannuation, make you aware of single touch payroll, the new child care package and find out what's been happening in the office and what's to come.

## OFFICE UPDATE

**Lately we have seen some changes within the office with some more to come!**

Paula Murnane has relocated to Adelaide with her daughter Chloe and is now a shared resource between Port Lincoln and Adelaide offices so you will still be seeing her popping up from time to time.

Emma Brock will be going on maternity leave towards the end of September and we wish her all the best with the upcoming arrival of baby Brock/Haines-Darby.

Cherie Bascomb will be increasing her days to cover Emma's leave.



Paula Murnane



Emma Brock



Cherie Bascomb



### CONGRATULATIONS TO...

Jed, Hannah and Ned who welcomed Elle into their family in February 2018.

### JUST A THOUGHT...

Every morning you have two choices:

Continue to sleep in with your dreams or wake up and chase them.



### FIND US ON FACEBOOK

**RSM Port Lincoln is now active on Facebook.** Search RSM Australia Port Lincoln and connect with us.

[facebook.com/RSMPortLincoln](https://facebook.com/RSMPortLincoln)

### RSM BECOMES ACTIVE IN APRIL

April saw Richard, Emma, Cherie, John, Jo, Paula & Dale get involved in Active April an initiative run by our client Iron Grit Gym and Boot Camp. RSM (Really Sweaty Machines) chose Little Bags of Hope as their charity with the winning team's charity receiving the prize. Unfortunately we did not win but enjoyed being active and supporting our clients with this healthy initiative.



### EP FIELD DAYS 14-16 AUGUST 2018

Once again you can find us at the EP Field Days and we would love for you to come by and say hello. Details of our location will be emailed to you once they have been allocated.



## 2018 YEAR END TAX PLANNING

The end of the financial year is approaching. As you know, legitimate tax minimisation for the year can often be achieved by taking certain action prior to 30 June.

The following is a list of some of the issues you may wish to consider:

- In order to maximise benefits for the current year, it is usually helpful to prepare a preliminary assessment of your taxable income for the year to date, so that it can be seen whether or not there is a problem to fix.
- Review all deductible expenses and assessable income in the latest available figures (or prior year's figures if current figures are not available) to determine the prospects of pre-payment, deferral or other action.

This is not a comprehensive list and terms and conditions may apply to some of these strategies if used in your circumstances.

If you would like to go through the possibilities with us please call before 30 June so that there is time to implement any strategies that may be desirable.

### Tax minimisation strategies

In order to minimise liability to taxation for the current year, the general strategy options for most taxpayers are as follows:

1. Delay deriving assessable income
2. Bring forward incurring deductible expenses or losses
3. Pre-pay (up to 13 months) next year's expenses
4. Shift income to a taxpayer with a lower marginal tax rate
5. Negative gearing strategies
6. Make payments that receive special tax treatment e.g. certain superannuation contributions and farm management deposits



## END OF FINANCIAL YEAR ACTION LIST

- ❑ **BAD DEBTS**  
If there are bad debts, these should be physically written off the books before 30 June.
- ❑ **PREPAY EXPENSES**  
If the business has a turnover of less than \$10 million, it may be entitled to an immediate tax deduction for pre-payment of expenses.
- ❑ **SUPER FOR EMPLOYEES**  
Superannuation entitlements are to be paid to employees by 30 June, so that they are tax deductible.
- ❑ **DISPOSE OF NON-PERFORMING INVESTMENTS**  
Review assets and dispose of any non-performing investments so that losses can be offset against other capital gains.
- ❑ **OBSOLETE STOCK AND PLANT**  
Review of all stock at the end of year. Stock-take should be carried out and choices made in relation to its value. Review your assets register and scrap any obsolete plant.
- ❑ **PAYG**  
Issue PAYG payment summaries and forward to the ATO, including your own directors' wages for those operating through a company structure.
- ❑ **ANNUAL RETURN TO WORK SA RECONCILIATION**  
Remember to include gross wages and super contributions including directors' wages and super if operating through a company.
- ❑ **REVIEW PRIVATE USE OF LOANS AND COMPANY ASSETS**  
Assets owned by a company which are available for use and under the control of an individual may create benefits which will be deemed a payment to an individual just as with a private loan.
- ❑ **DEFERRAL OF INCOME**  
Income can be deferred to 2018/2019 if entitlement to income can be delayed; this in turn may reduce tax obligations.
- ❑ **FARM MANAGEMENT DEPOSITS**  
A very valuable planning tool, farm management deposits assist in averaging out income for primary producers. Currently an individual who is a primary producer can hold up to \$800,000 in farm management deposits.

## ❑ PERSONAL SUPERANNUATION CONTRIBUTIONS

### – **Concessional contributions cap**

*Concessional contributions include:*

- » Employer contributions (including contributions made under a salary sacrifice arrangement)
- » Personal contributions claimed as a tax deduction.

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

- From 1 July 2017 everyone's concessional contributions cap is \$25,000 pa.

### – **Non-concessional contributions cap**

*Non-concessional contributions include personal contributions for which you do not claim an income tax deduction.*

- » If you have more than one fund, all non-concessional contributions made to all of your funds are added together and counted towards the non-concessional contributions cap.
- » From 1 July 2017 the annual non-concessional contributions cap has dropped to \$100,000 pa
- » Eligibility is assessed based on your age and your total superannuation at 30 June each year
- » If you are under 65, you may be able to make non-concessional contributions of up to three times the annual non-concessional contributions cap in a single year. If eligible, when you make contributions greater than the annual cap, you automatically gain access to future year caps. This is known as the 'bring-forward' option.
- » From 1 July 2017 the bring-forward amount and period is dependent on your total superannuation balance on the day before the financial year contributions that trigger the bring forward.
- » Please note that the 10% maximum earnings rule in relation to wages and making concessional contributions has been removed as of 1 July 2017. To find out more please contact our office.

**Be prepared and contact your accountant for further assistance.**

## SUPERANNUATION: TRANSFER BALANCE ACCOUNT REPORTING (TBAR)

### WHY THE CHANGE?

The changes to superannuation on 1 July 2017 included an introduction of a limit on the amount of money that can be used to start a pension. This limit of \$1.6 million is known as the Transfer Balance Cap (TBC) and applies to existing pensions on 1 July 2017 as well as any new pensions started after this date.

To make sure this limit is complied with, the ATO has created a new reporting system known as the Transfer Balance Account (TBA) for all superannuation fund members drawing a pension from any superannuation fund. Every full retirement pension (rather than transition to retirement pensions) that existed on 30 June 2017 will have their balance reported along with other events that occurred since that date.

For some SMSFs, this means that certain events will need to be reported to the ATO on a quarterly basis from 1 July 2018.

### WHO IS AFFECTED?

Your SMSF will be required to report events to the ATO on a quarterly basis if:

- Any member of your SMSF has a total superannuation balance (TSB\*) of \$1 million or more
- Any member of your SMSF is in receipt of a pension

**\*TSB = ALL** of your superannuation interests (both pension and accumulation), not just those held in your SMSF. If you have multiple superannuation funds, or are in receipt of a defined benefit pension, these must all be taken into consideration when determining whether your SMSF is required to switch to quarterly reporting.

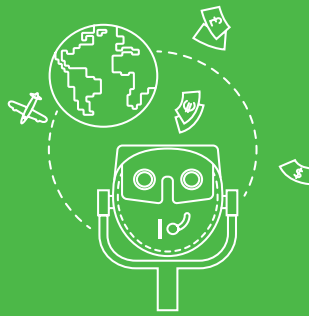
The TSB assessment is made on 30 June of the year before the first member starts their first pension, or on 30 June 2017 if a member was already in receipt of a pension.

If your SMSF is not required to report quarterly, then it will be required to report annually by the same date that its tax return is due for lodgement.

### WHAT DO I NEED TO DO?

You need to confirm your Total Superannuation Balance at 30 June 2017 by checking your member statements from all of your superannuation funds (including defined benefit pensions) and providing copies of those statements to your accountant.

You also need to prepare your SMSF to be able to lodge the first TBAR due on 30 June 2018 as well as prepare for quarterly reporting if required to do so.



IDEAS AND INSIGHT,  
COLLABORATION AND  
UNDERSTANDING.

## SINGLE TOUCH PAYROLL

Single Touch Payroll is a reporting change for employers.

**It starts from 1 July 2018 for employers with 20 or more employees.**

You will report payments such as salaries and wages, pay as you go (PAYG) withholding and superannuation information from your payroll solution each time you pay your employees.

Single Touch Payroll will be expanded to include employers with 19 or less employees from 1 July 2019. This is subject to legislation being passed in parliament.

Count the employees on your payroll as of 1 April to see if you need to get ready for Single Touch Payroll.

For more information contact your accountant or go to [ato.gov.au/Business/Single-Touch-Payroll](http://ato.gov.au/Business/Single-Touch-Payroll)

## THE NEW CHILD CARE PACKAGE – PROVIDE YOUR INFORMATION NOW

From 1 July 2018, the child care fee assistance your family receives will change.

Your information does not automatically rollover to the new system and you may not receive any subsidy if your assessment is not completed.

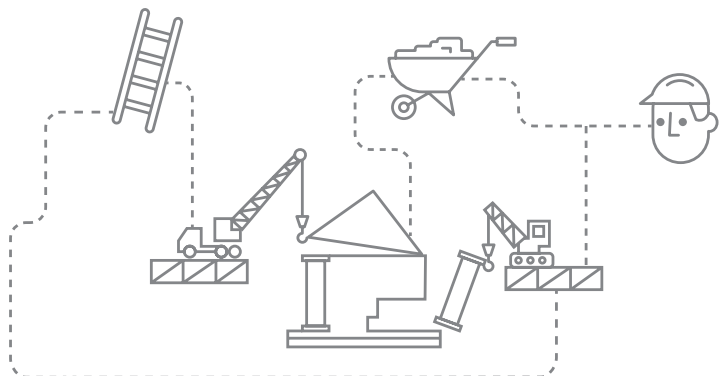
Login now to your myGov account to complete the online form. To find out more go to [education.gov.au/ChildCarePackage](http://education.gov.au/ChildCarePackage)

## ARE YOU IN THE BUILDING/ CONSTRUCTION INDUSTRY? DO YOU USE CONTRACTORS?

Have you heard of the Taxable Payments Annual Summary Report?

The Taxable Payments Annual Summary Report is used to report payments to contractors. This was introduced back on 1 July 2015 by the Australian Taxation office. As of 1 July 2018 they will be imposing penalties for those that are not lodged on time. Due date is 28 August annually.

We understand that these can be confusing and ask that if you require help to please contact your accountant to avoid penalties.



## ARE YOU AN AMP SHAREHOLDER?

Our office has received some enquiries into the Class Action against AMP, if you are a shareholder who held shares between 7 June 2012 and 15 April 2018 you may be eligible to be part of the class action.

There are several law firms dealing with this that will be able to assist.



## RSM FINANCIAL SERVICES

With a new financial year nearly upon us, now is an opportune time to discuss your financial position with one of our Financial Advisers. Some of the areas which RSM Financial Services specialise in and which may be of benefit to you for the upcoming financial year are:

### Superannuation/ Investments

- SMSF strategies
- Investment portfolios
- Income needs for Account Based Pensions
- Superannuation contributions
- Costs savings

### Insurances

- Life, TPD, Trauma & Income Protection

### Retirement & Pre-retirement planning opportunities

No matter what stage of your life you are at, having access to a combined approach with a financial advisor and your accountant can provide a clearer path to your financial decisions.

### Set up an Appointment

Call the Port Lincoln office on 8682 2077 or Adelaide office on 8232 3000 to arrange an appointment with David McArthur or Daniel Cundy. Alternatively, when you next meet with your accountant a suitable time can be arranged.



#### David McArthur

Principal, Financial Planning

David McArthur will be available on 28 June, 1 August, 30 August, 28 September, 31 October, and 29 November.



#### Daniel Cundy

Financial Planner

Daniel Cundy will be available on 11 July, 8 August, 12 September, 10 October and 7 November.

## Jed Carson consulting in Cleve and Cowell



#### Jed Carson

Principal, Business Advisory

Jed will be in Cleve on 18 July, 27 July, the mornings of 14, 15 and 16 August and 5 September. He will be in Cowell on 26 July and 6 September.

**Please contact our office to make an appointment.**

#### RSM

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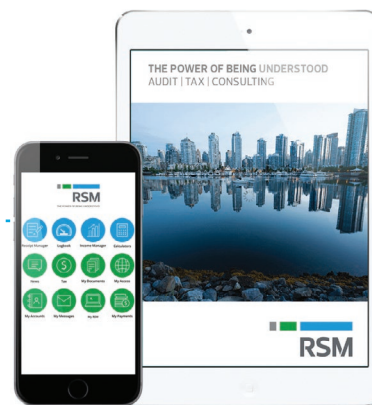
[www.rsm.com.au/portlincoln](http://www.rsm.com.au/portlincoln)

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Available for download now, the RSM app offers a range of specialised calculators and resources to assist you with your daily financial needs, including:

- Individual income tax, company tax, PAYG Withholding, Super caps contribution, Capital Gains Tax (CGT), Goods and Services Tax (GST) and Fringe Benefits Tax (FBT) calculators
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- Receipt manager tool
- GPS logbook tracker
- Instant access to your MYOB, Xero and QuickBooks accounts



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