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SUMMER 2009

Wishing you all a very Merry Christmas and a Happy New Year!

May you and your families have a safe, happy and fun Christmas. Thank you for your patronage, once again, in 2009 and we look forward to providing you with our best of service in 2010.

Best wishes from all of us here at GLR.

CHRISTMAS CLOSING DOWN PERIOD

N.B the office will be closed from 1pm Wednesday 23 December to 8.30am Wednesday 6 January.

Save Tax - Donations

If you are looking for a way to reduce your tax bill, then try this. It will also help those in need at the same time. So in the Christmas spirit, I can't think of a better time to give to those in need. Once again, **GLR** are donating to Various Charities, including World Vision, to help buy 15 School Kits for children overseas. We hope that education will provide them a better future. This is also in response to all those who agreed to us sending these newsletters via email, which saves printing, postage and paper. This also helps the environment. Thank you.

Medicare Surcharge 1%

For 2008/9 tax year, the new limits are \$70,000 for an individual (was \$50,000) and \$140,000 for a couple (was \$100,000). This means that if your taxable incomes are over these limits **and** you do **not** have Private Hospital Cover, then you will be hit with an additional 1% surcharge on top of your 1.5% Medicare Levy you already pay.

Tax returns Due to be Lodged by 15 May 2010

As a client of ours, the 31 October deadline was **NOT** relevant. For most of our clients, returns are not due until **15 May 2010**.

However, if you have not lodged **prior years'** returns, please contact us ASAP, as late fines may apply.



The Education Tax Refund

Will apply for your **2009** tax return **only if you are eligible for FTB Part A**. Different levels apply for Primary (\$375) & Secondary students (\$750) and you are entitled to 50% of eligible expenses which include computers, internet connection, education software & textbooks. **Note that School Fees and uniforms do not apply.**



Scam Emails – BEWARE!!!

Please be aware of scam emails that are being circulated at present. Neither the ATO or banks will ask you to provide bank account details to deposit refunds or other funds. Also do not click on links to provide or check details. The ATO or a bank will always contact you via a letter if they want information. If in doubt please feel free to call us.

ENDS 31 DECEMBER!!!

50% Business Investment Allowance

If you are a "small business entity" (i.e turnover of less than \$2 million a year), and you "contract" to buy new (not second hand) business equipment over \$1,000 between 13 December 2008 and 31 December 2009, you will be entitled to an extra 50% claim on your tax. The item has to be received and ready for use by **31 December 2010**. The item has to be depreciable, under s 40B (NB: this will NOT apply to you if the item is leased; and it is NOT a rebate). Contact us for more information.

New Super Contribution Rules!

From 1 July 2009, the maximum contribution caps, have been halved to:

- Under 50 yrs - \$25,000 p.a
- Over 50 yrs - \$50,000 p.a

So you need to review your current Salary Sacrifice amounts, because if you are over the cap, an excess tax of 31.5% will apply, on top of the 15% already applied. **That's 46.5% tax.**

Also, keep in mind that your 9% employer contribution is included, and for Public Servants, the Productivity component is included in the cap.

Centrelink Pensions

You **may** be entitled to some age pension if:

Your income is less than \$38,630pa for a single or \$59,124pa for a couple **and** your non home assets are less than \$626,000 as a single or \$928,000 as a couple.

Also, you may be entitled to the **seniors Health Care Card** if your income is less than \$50,000 as a single or \$80,000 as a couple.

This is the simplistic version of details, but if you think you may be entitled, it is worth contacting Centrelink to find out more. www.centrelink.gov.au

Tax Changes???

With the Rudd Government reviews seriously looking at tax system changes, it may be advisable to put as much money into super while you can. They have already halved the contribution caps, so who knows what else they might cut from the generous super concessions currently in place? However, as changes are usually not retrospective, if you start a pension now, or at least, put money into super now, you may be glad you did. Just a feeling!



DIY Superfund's from \$990 p.a

More and more people are finding that setting up your own Super Fund is a good idea. Usually, this is the case when leaving the Public Service but can be beneficial in other circumstances also.

The Benefits:

1. Control of your own money.
2. No management fees, or at least reduced.
3. More flexible investment strategies.
4. Lower cost structure.
5. Fun of investing.

If you are interested in setting up your own fund, please call us to discuss it in more detail.

Salary Packaging Cars

Still a great way to save tax and get that new car. However, it can now be even better. With the increase in the tax bracket for the top tax rate to \$180,000, the irony is that the benefit of salary packaging is reduced. **But**, if you can also do the Employee Contribution Method (ECM), the benefits are restored. For more details, please contact us.



Medical Rebate

A 20% rebate is available on the net medical expenses your family pay per year over \$1500. Eligible medical expenses include:

- Chemist prescriptions
- Optical costs
- Physiotherapy
- Nursing Hostel Costs (approved facilities).
- Normal Doctor/Hospital costs.
- Dental (including Braces)
- Medical aids (artificial limbs, eyes, hearing aids, wheel chairs etc)