

News

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Go for GOLD this spring!

We've just finished watching the Commonwealth Games. Some athletes experienced success, while others disappointment with their performances. To be there they needed a game plan, good coaching and needed to commit to a strenuous programme to ensure that they could perform at their peak.

There's no room for excuses at this level. There's nowhere to hide when the media are reporting your every move.

Like any other commitment, there is a price to pay for peak performance. Sacrifices must be made along the way. Athletes can't simply wake up in the morning and decide to break world records! They have to sacrifice time and energy in training and lead a healthy lifestyle to give themselves the best chance of success.

The road to financial fitness is no different. Being financially fit takes commitment, diligence, knowledge, time and patience. It is impossible to look into the future and know exactly what events will affect us, but we can certainly make informed choices now, to ensure that we have the best chances of success.

You don't want to wake up five years from now, wishing that you had started saving, investing or clearing your debt. In five years time, you could be exactly where you want to be, if you are prepared to follow a healthy financial plan.

You can't get into financial shape without goals. Commit the goal to paper, and set a timeframe. Work out the steps to achieve them and stick with it. Without a plan, there is no way of knowing how far you have come, or how far you have to go.

Like a fitness training program, setting financial goals provides the motivation to get things achieved. If you haven't already committed to a financial fitness plan then now is a good time to start.

Start by:

- Setting a budget in order to determine and focus on where your money goes.
- Consider salary sacrificing some of your pre-tax salary into superannuation.
- Payoff non-tax deductible debt.
- Watch dollar leakage. Plug those black holes where money just seems to disappear.

Like our Commonwealth Games athletes – go for a financial gold medal!

Andrew Evans

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Finance

SuperSTREAM

From 1 July 2014, employers with 20 or more employees are required to make Superannuation Guarantee (SG) contributions electronically.

The contribution data will be sent electronically to the superannuation fund in a message format. The contribution payment will be sent electronically through the banking system. The data message and payment will be linked by a payment reference number, which enables reconciliation by the receiving superannuation fund.

Most contributions you make to retail and industry funds are already SuperSTREAM compliant (as most of these funds only accept contributions and other data electronically). This change will mainly impact employers who make SG contributions to a Self Managed Superannuation Fund (SMSF).

If an employee's SG contributions are paid to an SMSF, and you are not already

complying with SuperSTREAM, employees had until 31 May 2014 to provide you with:

SMSF's name
SMSF's ABN
SMSF's electronic service address for SuperSTREAM purposes
SMSF's bank account details including its: <ul style="list-style-type: none"> o Bank account name o BSB number, and o Account number.

Consider how you currently make contributions and then any action that you may have needed to take to comply.

This may involve doing any or a combination of the following:

- Upgrading your payroll software (to confirm whether the current version of

your payroll software is SuperSTREAM compliant, contact your payroll software provider).

- Using a Clearing House
- Working with the recipient superannuation fund, which may have an online solution.

Employers with fewer than 20 employees have an extra year until 1 July 2015 to comply with these requirements.

'This change will mainly impact employers who make SG contributions to a Self Managed Superannuation Fund'

Consider a Transition-to-Retirement Strategy



If you are over 55 years of age, this strategy may allow you to continue to work, convert your superannuation account into pension phase, drawdown tax-effective pension income from your superannuation fund and increase salary sacrifice contributions. It is a powerful strategy that can enhance your tax outcomes, dependent on your circumstances. Contact your advisor at our office for further details.

Superannuation Thresholds for 2014/15

In March, the Australian Taxation Office released a number of changes to superannuation thresholds, which will apply in respect of the 2014/15 financial year.

The concessional contributions cap has increased to \$30,000 from \$25,000.

The Special Concessional Contribution Cap, remains at \$35,000, but will now apply to anyone aged 49 or above on the 30 June 2014.

The Non-Concessional Contributions Cap has increased to \$180,000 from \$150,000.

The "bring forward" of the Non-concessional Contributions Cap has increased to \$540,000 from \$450,000.

There has been no change to account-based pension drawdown rates.

The superannuation Guarantee rate increases from 9.25% to 9.5% from 1 July 2014.

The maximum contributions base has increased to \$49,430 per quarter.

Electronic Lodgement of Electronic Business Activity Statement

From 1 July 2014, once an activity statement is lodged through an electronic channel, the Australian Taxation Office (ATO) will no longer issue paper activity statements.

Those clients who consistently lodge paper activity statements will be able to continue to do so, for now.

However, those clients who occasionally lodge their activity statement via our office, can continue to do so, but it will mean that they will no longer receive a paper activity statement, and all future activity statements will need to be lodged electronically as well.

If paper activity statements cease, you may also want to consider registering with the ATO for the Business Portal. This will allow you to lodge Business Activity Statements yourselves.



Latest changes to fuel tax credits



The carbon charge has been removed for fuel acquired from 1 July 2014. This means fuel tax credits will:

- Increase for many off-road activities
- No longer be available for non-transport gaseous fuels, used in specified agriculture, fishing or forestry activities.

With the re-indexation of fuel excise, starting again from the 1st of August 2014, fuel tax credit rates will change on a regular basis. The indexation of excise duty rates for most fuels will occur every six months.

For those registered to claim back their fuel tax credits applicable, excise duty rates should be checked each time you do your Business Activity Statement.

To check the applicable rates, they can be found at www.ato.gov.au/fueltaxcreditrates.

There is also a fuel tax credit calculator available at www.ato.gov.au/fueltaxcreditcalculator.

Summary of substantiation requirements for travel allowance expenses

The following table is a summary of the substantiation requirements for claims for those work-related travel allowance expenses covered by the allowance where the taxpayers is required to sleep away from home when travelling on work:

Travel allowance received and:	Domestic Travel		Overseas Travel	
	Written Evidence	Travel Diary	Written Evidence	Travel Diary
The amount claimed does not exceed the reasonable allowance amount				
- travel less than 6 nights in a row	No	No	No	No
- travel 6 or more nights in a row	No	No	No	Yes
The amount claimed exceeds the reasonable allowance amount				
- travel less than 6 nights in a row	Yes - for the whole claim	No	Yes	No
- travel 6 or more nights in a row	Yes - for the whole claim	Yes	Yes	Yes

Expenses – 2013/2014 – cents per kilometre

Engine Capacity	2013/14 Cents per Kilometre
Small Car – engine capacity up to 1,600cc	\$0.65
Medium car – over 1,600cc to 2,600cc	\$0.76
Large car – over 2,600cc	\$0.77

The rates in the table above reflect an increase in the cents per kilometre rate for the first time in five years.

Luxury Car Tax threshold and Fuel-efficient Car Limit for 2014-15

The luxury car tax for the 2014-15 financial year is \$61,884. This is up from \$60,316 in 2013-14. The fuel-efficient car limit for the 2014-15 financial year, remains at \$75,375, the same limit as in 2013-14.



General

Income Protection

Whether you are just starting out or well established, here at RJC Evans & Co Financial Planning we believe in comprehensive wealth strategies.

This includes not only having a plan to build the wealth you require but also protecting that wealth. The cornerstone of any good financial plan is the ability to earn an income. Let's face it, money makes the world go round and allows you to live the lifestyle you have grown accustomed to.

If your income stopped tomorrow, how long would your savings last to allow you to continue your current standard of living? By putting the right measures in place early you could ensure that you don't need to worry about the answer to this question.

Income protection is a way of protecting your lifestyle against sickness or injury. It pays a monthly income up to 75% of your regular salary until you can return to work. If something does happen that stops you from working, receiving an income protection benefit means that you continue to have money coming in to help pay your essential expenses.

For example, your insurance money can help you cover regular costs that have to be paid like:

- Mortgage repayments or rent
- Investment loan repayments
- Credit card bills
- Utility bills and other household expenses
- Children's education costs

Having this financial support can also help you afford the treatment you prefer, and take the time off work to recuperate properly.

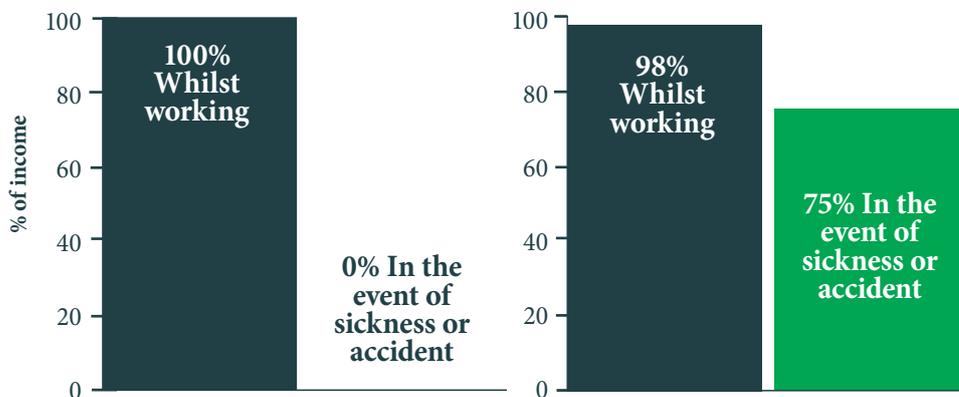
Income protection only costs a fraction of your income (typically around 2%) and is tax-deductible in most cases - making it an extremely cost-effective form of insurance. Different policies offer different features and benefits, which makes it essential to talk to RJC Evans & Co Financial Planning to work out what type of policy suits your circumstances and budget.

One of the most common objections we get when discussing protection strategies is "it won't happen to me..." We sincerely hope it doesn't but we would rather not take the chance with statistics like this:

- More than 60% of Australians will be disabled for more than 1 month during their working life.
- More than 15% will be disabled for more than 3 months during their working life.

Call us and ask to speak to our Financial Planner Chris Papayianis to discuss your needs and determine the best plan forward for your own personal situation.

Which option makes sense to you?



Note: depending on your age and personal circumstances the cost of IP may vary slightly (2% is a rough guide)

Source: Australian Disability Table IAD89-93 - Institute of Actuaries

IN BRIEF

Commonwealth Seniors Health Card (CSHC) Changes



In the May Federal Budget a number of changes to the CSHC were implemented.

- The income thresholds will be indexed by CPI for the financial years 2014 through to and including 2018.
- Account-based Pensions that commence after December 2014, will have an income payment (determined using the deeming rules) under CSHC incomes test. Pensions that commenced before January 2015 will exempt from this test.
- The CSHC supplement (currently \$876.20 for singles and \$1,320.80 for a couple combined) will be abolished from the 20th of September 2014. However, the CSHC Clean Energy Supplement will remain.

Sad News

Sad news was recently received by our office. Leanne Lyon a long standing former employee has passed away.

Leanne was well known in the Mid-North.

The firm was fortunate to have Leanne as Office Manager, after John Evans met her one day in the country and said, "If you are ever moving to Adelaide and looking for a job, give me a call."

Leanne did move to Adelaide and was a loyal member of the team in excess of twenty years. Over this time Leanne trained and mentored numerous staff.

Our thoughts and prayers go out to Colin and the girls at this time.