

News

December
2016

Dear Santa,

As the line in the song goes, "It's beginning to look a lot like Christmas". Your busy time of the year approaches. I have noticed that each year your "x-factor" increases. So much so that Xmas is now very much part of our vernacular. You must be pleased with the success of your business model!

I imagine it is difficult for you to make a list of gifts for everyone. Today I am writing to you with a few suggestions.

Remember the old saying, "give a man a fish and he eats for a day, teach him to fish and he eats for a life-time?" The same can be said for money. Perhaps this year instead of giving cash as a gift, why not give a gift of financial literacy, knowledge or simply some food for thought.

There are many books on financial topics from which to choose. A subscription to an investment magazine or a membership might also help someone develop a greater understanding of money and their finances. After all, as Benjamin Franklin once said, "An investment in knowledge always pays the best interest".

Santa, you might need to remind parents that the single best financial gift you can give to a child is mentorship.

Perhaps you could encourage people to give time to others. After all, time is what makes people feel really valued, as it seems so hard to find a spare moment in our demanding 24/7 world. Perhaps the best gift is that of yourself: wrapped with love, kindness and generosity of spirit.

The 30th President of the United States of America remarked that, "No person has ever been honoured for what he received. Honour has been the reward for what he gave".

Santa, as you make your travels on Christmas Eve, please pass on our special Christmas wishes to all clients and staff of RJC Evans & Co. We truly appreciate their support.

Once the deliveries are all over, I hope that you have an opportunity to kick back and enjoy a well-deserved rest. All of us at RJC Evans & Co will be as well. Our office will be closed from 12.30pm Thursday, the 22nd of December 2016 until Tuesday, the 3rd of January 2017.

Merry Christmas and safe travels to you, Rudolf and the team!

P.S. Remember your log book!

General News

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Safeguarding Your Cards

SOME TIMELY TIPS THIS CHRISTMAS

- Sign your card as soon as you receive it with a permanent pen
- Read and follow the instructions that came with the card/PIN
- Carry your card with you, in a safe place and regularly check that you still have your card
- Remember to take your cash, card and receipts with you on completion of all ATM or EFTPOS transactions
- Ensure no-one watches you enter your PIN at an ATM or when making a purchase (EFTPOS transactions)
- Never leave your card out in the open, such as in a car, bar, restaurant or at work
- Be aware when withdrawing money from ATMs. If anything seems out of place with the machine, DON'T complete a transaction
- Don't give your card or Secret Codes to anyone else, including friends and family
- Destroy your card when it expires; and
- If your card is lost, stolen or misused then report it immediately.



Our office will be closed from
12.30pm on Thursday 22nd December 2016,
 until
Tuesday 3rd January 2017,
 for the Christmas break.

How to Keep Your Financial Information Safe

- Check your statement and compare your transaction receipts
- Regularly monitor your account balance
- Don't respond to emails or telephone calls requesting your account details, or your Secret Codes, even if the email or telephone call appears to come from your bank
- Notify your bank immediately of any changes to your address or contact details
- Secure your letterbox to help prevent mail being stolen
- Dispose of information relating to your card, account details and Secret Codes in a secure manner and never in a public place.



AWARD CHANGES

Annual Leave

An employee wanting to cash out annual leave, must have at least four (4) weeks annual leave remaining, after the leave is cashed out. The maximum amount of accrued paid annual leave, that may be cashed out in 12 months, is two weeks.

The employer and employee need to complete the Written Agreement (Schedule E of the Award).

Employees can take annual leave before it is accrued, but there must be an Agreement, signed by the employee and employer (Schedule F of the Award). It must specify the start date of the leave, and how much leave is being taken in advance.

EMPLOYEES CAN NOW CASHOUT ANNUAL LEAVE, SUBJECT TO CERTAIN CONDITIONS.

Superannuation

RELEVANT TO ALL EMPLOYERS

The Superannuation Guarantee Contribution (SGC) is 9.5% of ordinary time earnings. Overtime is not included when calculating superannuation.

Employers need to pay superannuation if employees are 18 years or older, are paid \$450 or more in a calendar month (before tax), or if they are under 18, are paid \$450 or more calendar month and work more than 30 hours a week. This applies whether they work casual, part-time or full-time hours, and if they are a temporary resident.

Employers also have to pay superannuation for contractors who are principally labour, even if they have their own Australian Business Number (ABN).

Age Pension Changes

One the 1st of January 2017, new rules for pension access will be applied. A number of pensioners will have their benefits reduced as a result.

These changes will affect all pensioners who are Asset Tested, or who are currently Income Tested, but become Asset Tested. The changes will affect recipients of the Age Pension, Care of Payment, Disability Support Pension, Widow B Pension and Wife Pension.

The Asset Test-Free Area is the amount of assets above which allowances are not paid and pensions are reduced. From 1st of January 2017, the full pension thresholds will increase. Only if your assets are below the thresholds in the following table, will you be eligible for a full pension under the 2017 Asset Test.

Full Pension	Current Asset Limits	2017 Asset Limits
Non-homeowner (single)	\$360,500	\$450,000
Non-homeowner (couple)	\$448,000	\$575,000
Homeowner (single)	\$209,000	\$250,000
Homeowner (couple)	\$296,500	\$375,000

Assets taken into account include property (excluding your home), cars/boats/caravans, financial investments, superannuation (if you are over Age Pension), business assets, household contents and personal effects.

Part Pension	Current Asset Limits	2017 Asset Limits
Non-homeowner (single)	\$945,250	\$742,500
Non-homeowner (couple)	\$1,330,000	\$1,016,000
Homeowner (single)	\$793,750	\$542,500
Homeowner (couple)	\$1,178,500	\$816,000

Furthermore, the Part-Pension thresholds will decrease from 1 January 2017. If you have assets above the following thresholds, you will no longer, from 1 January 2017, be eligible for the pension.

Superannuation

 RECORD KEEPING

Preservation Age

With the commencement of the new financial year, it is timely to review the meaning of, “Preservation Age”.

Access to superannuation benefits is generally restricted to members who have reached Preservation Age. A person’s Preservation Age ranges from 55 to 60, depending on their date of birth. For those born before 1 July 1960, their Preservation Age is locked in at 55. For those born after this date, their Preservation Age will range from 56 to 60, depending on when you were born, as follows:

Date of Birth	Preservation Age
Before 1 July 1960	55
1 July 1960 – 30 June 1961	56
1 July 1961 – 30 June 1962	57
1 July 1962 – 30 June 1963	58
1 July 1963 – 30 June 1964	59
After 30 June 1964	60

Under the superannuation Conditions of Release, if you have reached Preservation Age or greater than age 60, then you can be considered retired and can therefore access your superannuation savings, if:

- ▷ An arrangement under which you are gainfully employed, has ended (ie. you are made redundant or resigned etc); and
- ▷ The Trustee of your superannuation fund is reasonably satisfied that you never again intend to become employed, either part time (ten hours per week) or full time. If you do return to work, no penalties apply, provided that the Trustee was satisfied at the time you originally applied for your savings, that you would not return to work

Therefore if you were born after 1 July 1960, the earliest age-based Condition of Release for access to your superannuation, is 56, ie your Preservation Age.

Self-Managed Superannuation Fund Record-Keeping Requirements

One of the responsibilities as a Trustee of a SMSF is to ensure proper and accurate taxation and superannuation records are kept.

The following records need to be kept for a minimum of five (5) years:

- ▷ Accurate and accessible accounting records that explain the transactions and financial position of your SMSF
- ▷ An annual operating statement and an annual statement of your SMSF’s financial position
- ▷ Copies of all SMSF annual returns lodged
- ▷ Copies of any other statements you were required to lodge with the ATO or provide to other superannuation funds

The following records need to be kept for a minimum of ten (10) years:

- ▷ Minutes of Trustee meeting and decisions
- ▷ Records of all changes of Trustees
- ▷ Trustee declaration recognising the obligations and responsibilities for any Trustee, or Director of a Corporate Trustee
- ▷ Members’ written consent to be appointed as Trustees
- ▷ Copies of all reports given to members

Don’t forget that income tax record-keeping requirements also need your attention, especially documents on deductions, capital gains and losses.



Records are to be kept in writing and in English.



If electronic records are maintained, they must be capable of verification by the ATO, and be in a form which they can access and understand.

Full Steam Ahead With Super Stream

The countdown to be Super Stream ready is now over.

As of the **28th of October** all small businesses should have been registered with a Super Stream initiative.

For those who have already been lodging and paying super through a clearing house, congratulations!

Unfortunately, for those who have not met the 28th of October deadline, you are still obliged to register. If unsure of what actions you should be taking, please do not hesitate to contact our office.

Please remember that lodgements will be due each quarter and payments should be cleared by the 28th of the following month because Super Stream is now here to stay.



Superannuation Thought for Christmas

? COULD THIS NOW APPLY TO YOU?

From 1 July 2017, Australian residents will be entitled claim \$540, being the maximum tax offset, for after tax contributions made to their eligible spouse superannuation fund.

A spouse will be eligible, if the total of the spouse's assessable income, reportable fringe benefits amounts, and reportable employer's superannuation contributions for the income year, is less than \$40,000 (including contribution). Currently, this only applies where by a spouse income is less than \$13,800 (including contribution).

Spouse Super Offset Formula

Spouse Income (SI)	Maximum Contribution (MC)	Maximum Offset
Up to \$10,800	\$3,000	\$540
\$10,801 to \$13,799	\$3,000 – (SI – \$10,800)	MC x 18%
\$13,800	Nil	Nil

As of 1st July 2017

Up to 37,000	\$3,000	\$540
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Superannuation Guarantee Charge and Timing



Do you generally run late, and never seem to be on time? Well we have news for you!

Timing is everything with the Superannuation Guarantee Charge (SGC) deadlines. There will be consequences for not lodging or paying your SGC on time.

With the rollout of the new Super Stream initiative the Australian Taxation Office aims to ensure all participants are lodging and paying on time. If you don't you will face the following consequence:

- Paying a SG surcharge. This additional charge will not be tax deductible.

How do you avoid falling victim to additional charges?

The answer is by lodging and paying before the following dates:

Quarter	Period	Due Date
1	1 July – 30 September	28 October
2	1 October – 31 December	28 January
3	1 January – 31 March	28 April
4	1 April – 30 June	28 July

Please be mindful that BPAY payments require at least three business days for processing. If payment is not reached before due date it will be classified as late.

Business

FRINGE BENEFITS TAX & CHRISTMAS PARTIES

With the Christmas season almost upon us, thoughts inevitably turn to Christmas parties and gifts. This is a complex area which often causes confusion.

The Fringe Benefits Tax (FBT), Goods and Services Tax (GST) and income tax consequences have been summarised in the schedule below. Please do not hesitate to contact our office for any clarification.

Event	FBT?	Deduction	Claim GST?
Gift for Employee <\$300	No	Yes	Yes
Gift for Employee >\$300	Yes	Yes	Yes
Party on Premises - Employee	No - regardless of cost	No	No
Party on Premises - Spouse	Only if benefit exceeds \$300	Only if benefit exceeds \$300	Only if benefit exceeds \$300
Party off Premises - Employee	Only if benefit exceeds \$300	Only if benefit exceeds \$300	Only if benefit exceeds \$300
Party off Premises - Spouse	Only if benefit exceeds \$300	Only if benefit exceeds \$300	Only if benefit exceeds \$300



JOB ACCELERATOR GRANT

The Job Accelerator Grant (JAG) Scheme has been established to encourage South Australian businesses to employ additional full-time, part-time and casual employees, and maintain them for at least 12 months.

A Job Accelerator Grant of up to \$10,000 (\$5,000 each year for 2 years) for new Full-Time Equivalent (FTE) jobs created is available for businesses liable for payroll tax in South Australia, with total Australian wages of \$5 million or less.

A Job Accelerator Grant for Small Business and Start-ups of up to \$4,000 (\$2,000 each year for 2 years) per new job created is available for most businesses that are not liable for payroll tax. This includes businesses with Australian wages below the payroll tax-free threshold (currently \$600,000) and most organisations that are exempt from payroll tax (eg Public Benevolent Institutions).

UP TO \$10,000 FOR EACH NEW FULL-TIME JOB CREATED

FBT Exempt New Year's Resolution

Entering into a remuneration package to secure a vehicle through a salary sacrifice arrangement is a popular option offered to employees. However, the ATO has issued a ruling on another particular set of wheels that opens up both a tax and health incentive.

The ATO has issued a class ruling that states where an employer enters into a lease with an e-bike company, and consequently provides the use of the e-bike to a staff member under a salary sacrifice arrangement, there is no FBT.

The only caveat is that the e-bike must always be the property of the bike company and at the end of the term of the lease the e-bike must go back. This is unlike most car novated leased, where the employee usually has the option to take possession once the employer makes a final balloon payment.

A tax-effective way of getting to work and keeping fit!

The Bonus of Working



The Work Bonus helps you keep more of your Age Pension when you earn more money from work.

If you are over Age Pension age, your employment income has less effect on your pension, than other kinds of income. The Work Bonus is automatically applied to your income test if:

- ▷ You are over Age Pension age
- ▷ You receive a pension, and you are paid wages from an employer

There is nothing you need to do, except report your earnings.

The Work Bonus in Detail

The first \$250 of your fortnightly earnings from work won't be assessed under the Pension Income Test. This means that you can take more money home.

If your employment income is less than \$250 every fortnight, the unused Work Bonus is 'banked' in a Work Bonus bank account, to a maximum of \$6,500.

What Does The Work Bonus Bank Do?

If you have accumulated a Work Bonus bank account, and you earn more than \$250 during a fortnight, Centrelink will subtract the balance from your fortnightly wages, before the usual income test is applied.

This means that you can earn \$250, plus the amount in your Work Bonus bank, before your pension rate is affected, a fortnight.

What if You Have A Partner?

A pensioner's wage cannot be discounted by their partner's Work Bonus. Centrelink assesses employment income for each member of the couple and applies the Work Bonus to each person that is eligible.

Any other income is assessed as usual and affects each member of the couple equal, under the income test.

A PENSIONER'S WAGE CANNOT BE DISCOUNTED BY THEIR PARTNER'S WORK BONUS.

Concessional Redundancy Payouts

A person's age can make all the difference to the taxation of redundancy payments.

The underlying basis for tax concessions on redundancy payments is to compensate people who are forced to cease working earlier than planned, due to restructuring by the employer. However, this only applies if the employee is made redundant before age 65 (or an even lower age, if specified in the employment award). Older employees do not receive any concessions, even if they had planned to continue to work.

Lump sum payments received as a result of genuine redundancy include a tax-free component. How much is tax-free will depend on the person's length of service and payout amount. In many cases, the full

payout or a large portion of the payment, can be tax-free.

In addition, any unused annual leave and long service leave payments are also concessional tax-free when received, as a result of genuine redundancy.

However, the tax concessions only apply to taxpayers under age 65 or those who are younger than retirement age, specified in their employment award.

Anyone who has been made redundant, close to age 65, should if possible, ensure that their employment is terminated before they reach age 65, in order to receive the tax break.

General

CHRISTMAS BONUS...

\$1.2 Billion Dollars Unclaimed – Is any of it yours???



Money that has been left untouched for the period of 3-7 years (within bank accounts, investments and/or life insurance) for legal reasons is transferred to ASIC. Any money ASIC receives is still claimable by the rightful owner.

Unclaimed monies seemingly accumulate because of the following:

- Move location
- Move overseas
- People just forget

Where money has been lost:

- Bank accounts - \$651 million
- Shares - \$435 million
- Life insurance - \$84 million

Where there is unclaimed monies waiting to be obtained:

- SA: \$35m (\$28m Adelaide, \$1m South East, \$1m Outer Adelaide)



For your own personal check, you can do a free search at www.moneysmart.gov.au.

Thank You!

It only seems like yesterday that Michelle Hardie commenced work at RJC Evans & Co. Just over 20 years have passed since Michelle walked through the front door and commenced as the RJC Evans & Co Receptionist.

The bright, cheerful and helpful Michelle has always been there to assist clients and all of us here at RJC Evans & Co. Nothing has ever been too much trouble for Michelle to do. Whether it be welcoming clients, making a tea or coffee, or helping us all with our office jobs – particularly with the photocopier, she has always been willing and able to not only help, but to go the extra distance.

Twenty years is significant. Over this time, Michelle's contribution to the firm has been important. Such loyalty and support to the firm and clients, is not a milestone often seen these days.

We therefore not only congratulate Michelle in reaching this anniversary, but thank her for being an intricate part of the RJC Evans & Co team.

If you telephone or come into RJC Evans & Co, and wonder where Michelle is in 2017, you will find that she has moved into another role, assisting Gerrit Lombard with Financial Planning.



IN BRIEF

Interesting Facts

- During the 2014/15 financial year, Australians consumed \$273.6 million worth of mushrooms. The total production was 42,770 tonnes.
- During 2015, 5.3 million people (that's 27.1% of Australians, aged 14+) drank bottled water in any given seven days. The most popular varieties by market share are:
 - > Mt Franklin 40%
 - > Coles natural Spring Water 14%
 - > PUMP Pure Water 12.8%
- The humble banana is one of the world's top five staple foods with 107 million tonnes being produced in nearly 120 countries around the world.

TITLE INSURANCE



Title insurance protects a property owner against risks that can threaten the ownership of their property or effect their right to occupy and use the land.

The risks include:

- Illegal structures
- Errors in certificates for rates
- Taxes and levies
- Boundary issues
- Fraud or forgery against your Certificate of Title

Insurance is available to cover these situations. Policies are available for one-off Premium valid for the entire time a property is owned.

Should you require any further details about Title Insurance and its application to your situation when you are about to purchase a property, please contact our office.