



How quickly the year is passing us by. The Federal budget is due, and end of financial year requirements not too far away. In this newsletter is an update of relevant super and SMSF information, that you should find helpful to refer to in relation to 2015 and beyond. Our aim is to educate our clients in all areas of super, so that they can maximise the benefits the super can offer them.

### CLASS SUPER SOFTWARE UPDATE

One of the main reasons we moved to Class software system, was the client log-in system, where you can log-in to see up-to-date information regarding bank balances, investment balances, share values, contributions made so far, pension withdrawals, etc. As part of this feature, we need to get your bank feeds electronically from the bank (this is a read-only system, so just like getting your bank statement, but in an electronic version). Once we have your bank feeds, we can then allocate bank transactions to the required areas (ie income, expenses, purchases, sales, etc) so you can log-on for up-to-date super fund information. Soon you will receive paperwork to sign these bank data feeds authority, which please read, then sign and return to us.

Since 2011, Account(able) has worked in a business relationship with three other accounting firms around Australia. These other firms are based in Gawler SA, Wagga Wagga NSW and Sydney NSW. It started off as part of the Proactive Accountants coaching club, which for the last couple of years, the four firms branched away to work directly with each other. This has been of great benefit to us, to provide all firms with the opportunity to see how each firm operated, to develop partnerships, to coach and be coached. Recently, as part of this working partnership, JASS Global Resources was set-up and the four firms have developed processes and practices to better enhance the provision of services to our clients. Part of this is employing some overseas workers to help with the administration of our super funds. All required security and privacy issues are adhered to, and none of your work is sent overseas, but they remotely access into our systems to help with some of the processing. Please note all client dealings will continue to come from the Account(able) team as it always has

**For any further queries on this call us on 5366 1000.**

*Budget changes? We will send out an email of the budget summary, and any related changes that may affect super. And we will also discuss this at our SMSF seminars in the week after the budget.*

### SUPER CONTRIBUTION LIMITS

The 2015 super deductible contribution limits is \$30,000 for under 50s and \$35,000 for over 50s (and this is the same in 2016).

The maximum non-concessional contribution limits are \$180,000 in 2015, which if you choose the bring-forward 2 years (need to be under 65), you can contribute \$540,000. If over 65, to contribute into super you need to satisfy the work test of 40 hours in a 30 day period.

	Under 50	Over 50
2014/15	\$30,000	\$35,000
2015/16	\$30,000	\$35,000



### IS YOU SUPER SAFE? FOCUS ON THE POSITIVES

**Existing SMSF trustees and those wanting to learn more about establishing and running a SMSF will benefit from these seminars.**

**Free SMSF seminar - THIS IS NOT A SALES SEMINAR.**

#### SEMINAR 1 - EXISTING SMSF MEMBERS

Thursday 14th May 6.30pm

Bacchus Marsh Office

Thursday 21st May 6.30pm

Melbourne Office

#### SEMINAR 2- NEW SMSF

Tuesday 19th May 6.30pm

Bacchus Marsh Office

*To receive the government's Super Co-Contribution for 2014/15 of 50 cents in the dollar up to \$500, you need to: contribute \$1000 of after-tax super into your super fund; achieve 10% of your income as a result from working; be under 71; and have income of less than \$34,488 to get the maximum amount (the super co-contribution phases out at total income of \$49,488).*

## TRANSITION TO RETIREMENT INCOME PENSION (TRIP) BENEFITS

After the age of 55 and 60 there are some tax benefits of starting a pension from your super fund.

The key tax benefits are:

Age	Super Fund issues	Personal tax issues
55 - 59	Super fund stops paying 15% tax on investment earnings (still pays it on tax-deductible contributions)	Need to record pension in personal name (pension withdrawal requirements are 4-10% of member's balance) You receive the super 15% tax rebate, but then need to pay any remaining tax on the difference between your marginal tax rate and the super 15% tax rate.
60 +	As above - Super fund stops paying 15% tax on investment earnings (still pays it on tax-deductible contributions)	Pension is tax free in your own name – so don't have pay any top up tax. This is where people start to get the more tax savings.

To take pension, it can be one lump sum withdrawal. You need to notify the super fund, who need to transfer assets from accumulation to pension phase.

## PERSONAL INSURANCE IN SUPER



If you have your personal insurance in your super fund, you need to ensure the insurance is in the name of the super fund, otherwise it could be viewed as a withdrawal to pay for a personal expense.

As life insurance costs are not tax deductible when paying them in your own name, a tax strategy if you are not maximising your super contributions, is to start a new life insurance cover in your super fund, and then salary sacrifice (or get the business to pay) into your super fund the costs of the cover, so then it becomes a tax deduction. The issue with this can be that you need to start a new policy, so could be complicated if you have prior medical issues.

## TOP 13 SMSF AUDIT ISSUES

Listed below are the more common audit issues that we see from time to time

1. Not taking the minimum required pension (and most times needs to be cash/bank transfer/cheque withdrawal before 30 June).
2. Contributing super too late – it must be received by the super fund by 30 June.
3. Lending out to a member or related party.
4. Not keeping personal investments separate to the super fund investments (ensure the correct super fund name is used).
5. Allowing the bank account to go into overdraft. Most accounts have an automatic small overdraft, so you need to ensure there are sufficient funds before making payments or withdrawals.
6. Ensure property titles are in the correct name of the super fund.
7. If renting commercial property to a related party, make sure rent is at market value, and rent payments are being made. Ensure lease agreement is up to date.
8. Review the lease agreement, to confirm who pays for the outgoings of rates, insurance, etc.
9. Ensure no residential property is being rented to related parties.
10. Avoid exceeding the super contribution caps – concessional or non-concessional. Consideration needs to go into what super contributions have been paid on your behalf to other super funds from work places.
11. Review investment strategy to ensure current investment portfolio is in line with your super fund investment strategy.
12. Not responding to a query within 14 days (this is the statutory time period to respond, to gauge trustee behaviour).
13. Not rectifying an audit issue from the previous year.

## TRUSTEE/MEMBER RESPONSIBILITIES & PENALTIES

As the ATO now have power to impose a list of administrative penalties, the onus is on the trustee/member of the SMSF to ensure their super fund is meeting all requirements, to avoid these penalties (which can range from \$850 to \$10,200). The above "audit issues list" summarises some of the main issues trustees/members need to avoid.

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