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HOURS:

9am to 5pm
Monday to Friday

*Members of the Institute
of Public Accountants*



INSTITUTE OF PUBLIC
ACCOUNTANTS



Welcome...

from everyone at Hern & Associates to the 2015 edition of The Informer.

In this issue of The Informer we will focus on important changes from the Australian Taxation Office as well as how the impact of the 2015 Federal Budget will affect Individuals and Small Business. Tax Time is coming soon and we look forward to seeing you this New Financial Year!

This year's Budget aims to boost the economy and benefit small business.

Here is a brief outline:

Small Business

Small businesses, sole traders and start-up businesses will get an immediate tax deduction for individual assets they buy costing less than \$20,000. This tax deduction can apply to as many items as you like. This arrangement has now started and will continue until 30 June 2017.

Small business will also benefit from tax cuts of 1.5% to Incorporated businesses with a turnover of less than \$2 million. Unincorporated businesses with a turnover less than \$2 million will receive a 5% tax cut.

From 1 July 2015 the government will allow new business owners to claim an immediate write-off for professional expenses associated with starting a business, such as professional, legal and accounting advice.

Zone Tax Offset to Exclude 'Fly in-Fly out' and 'Drive-in Drive out' (FIFO/DIDO) Workers

The Zone Tax Offset is a concessional tax offset available to individuals who live in isolated areas with higher costs of living due to their remote locations. This eligibility for the Zone Tax Offset is based on defined geographic zones.

From 1 July 2015, if FIFO/DIDO workers do not reside in the particular Zone Tax Offset areas, they will not be eligible to claim the Zone Tax Offset. Currently, to be eligible for the Zone Tax Offset, a taxpayer must reside or work in the specified remote areas for more than 183 days per financial year.

It has been estimated that 20% of all claimants do not live full time in these remote areas and do not face the challenges of remote living that the tax offset was originally designed to address.



HELP Repayments

From 1 January 2016 new arrangements will be in place to recover HELP debts from debtors residing overseas.

Debtors who are going overseas for more than 6 months will have to register with the ATO, while those already overseas have until 1 July 2017 to register.

If the debtor residing overseas earns more than the minimum repayment threshold they will pay the same repayment rates as those in Australia.



Medicare Levy

For 2014/15 Financial Year, the Medicare Levy for low income thresholds will be as follows:

Individuals	\$20,896	previously \$20,542
Families	\$35,261	previously \$34,367
Single Seniors & Pensioners	\$33,044	previously \$32,379

The families income threshold will be increased by \$3,238 (previously \$3,156) for each dependent child or student.

If you have any queries about how the Budget will affect you, please call us on 8344 6011 or email reception@herns.com.au

Tax News

5 Day Promise for BASIC Income Tax Returns

Hern & Associates will continue to offer our **5 Day Promise** for Basic Income Tax Returns. If you can't come in to see us, why not send in your work? On receipt of all your tax information in to our office, we can have your Tax Return completed and sent back to you, ready to sign, in 5 working days.

You can post or scan & email your information to reception@herns.com.au

Our Fees for 2015

Our fees for a Basic Tax Return* will remain the same at \$220.00 and can be paid either by cash, cheque or EFTPOS. If it is estimated that you will be receiving a tax refund, you may opt to have our fee deducted from that refund, if you wish.

** a basic tax return does not include extra schedules required for rental properties or business schedules*

BAS & IAS is now online No more paper copies – need to lodge with AUSKEY through business portal or send info to us.

The ATO, in its endeavours to make more work for Taxpayers, has announced that it will be phasing out the distribution of paper forms for **Quarterly BAS and IAS**. Clients are expected to register online to receive, prepare and lodge these forms.

This new policy has been in operation since the September 2014 quarter, so some clients may not have received a paper form. In the past the receipt of these forms by post has been the trigger to remind us to prepare returns.

As the ATO has been unable to give us a reliable record at this date of those who have lodged or not lodged their BAS or paid their IAS, we can do no more than remind you, as a matter of courtesy, of your obligation to lodge on time.

BAS & IAS must now be lodged by the client online via the ATO Business Portal. This requires an AUSKEY available from the Australian Business Register. More information about the Business Portal can be found here:

<https://www.ato.gov.au/Business/Business-Portal/>

Hern & Associates is able to offer you the service of lodging your BAS & IAS via the Tax Agent's Portal, if you prefer that option.

Have you claimed "Dad & Partner Pay" with Centrelink?

If you have claimed **Dad & Partner Pay** from Centrelink from the 1st July 2014 you must advise us. Centrelink has stopped issuing Group Certificates as this information is usually fed through automatically to Tax Agents from the Australian Taxation Office.

Unfortunately, information coming from Centrelink is often delayed and if you decide to complete your Return early in the financial year, the Centrelink information may not be available. It has come to our attention recently that the ATO is issuing letters about omitted income to recipients of the **Dad & Partner Pay**.

Work Expense Claims Made Easy With Your Smartphone

Hern & Associates is proud to be a registered agent with Sage Point and Claim. Sage Point and Claim is the free receipt management app that helps process and record your tax deductions and claims with your smartphone. The app allows you to take a photo of your receipts and the expenses flow through to us so that at Tax Time we have all of your receipts recorded on our system and you don't have to keep them. You can rest assured that this system is ATO compliant.

Look for the Sage Point and Claim app on iTunes and Google Play to download.

Please be aware when compiling your information for the 2014/15 financial year to provide us with a statement or print out of your **Dad & Partner Pay** (available from your Centrelink Online account) so that we can adjust your tax return accordingly and avoid penalties.

Are you eligible for the Net Medical Expenses Tax Offset?

You may not be aware that the Net Medical Expenses Tax Offset (NMETO) is being phased out and the 2014-15 tax year will be the last year to make a claim.

To be eligible for the NMETO for 2014-15, you must have received the tax offset in both your 2012-13 and 2013-14 Income Tax Assessments. If you did not receive this offset in your 2012-13 Income Tax Assessment then you are not eligible to make a claim in 2013-14 or 2014-15.

The change to the eligibility rule for the NMETO does not apply to clients with out-of-pocket expenses relating to disability aids, attendant care and aged care. These expenses can continue to be claimed until 30 June 2019.

If you have any queries regarding the NMETO, please contact us on 8344 6011 or email reception@herns.com.au

Register your account:

- Your email address and choose a password

Go to settings

Account details >

tax agent export details >

select Hern & Associates

- State SA
- Suburb Walkerville
- Agent Hern & Associates



Office News...

Welcome Back Kristy

In January we welcomed back Kristy from maternity leave. If you hadn't heard, Amber Kate was born on Tuesday 1st July and is a gorgeous little sister to Olivia!




Hern
& Associates

Do you have a question for the ATO?

If you have any questions for the Australian Taxation Office, we recommend that you talk to us first. In most instances we will be able to answer your query or contact the ATO on your behalf. As your Accountants we have access to ATO websites and call centres that can not be accessed by the public. We also understand that taxation “jargon” can be overwhelming, so if you have any taxation queries, we urge you to contact us first, as we may be able to get results for you quicker and easier.

On the other hand, if the ATO contact you then we encourage you to refer them to us. It is very rare that the ATO will contact taxpayers directly, when they are registered with a Tax Agent like Hern & Associates. Please also be aware that there are clever phone scammers operating at the moment who claim they are from the Australian Tax Office.

ATO Phone Scams

We have heard of a recent phone scam by a person claiming to be from the Australian Taxation Office. They know your name and address and will warn you that you have an outstanding debt with the ATO.

They say the Australian Federal Police is on its way with a warrant for your arrest if you do not agree to pay on the spot. The caller will use an aggressive tone intending to frighten you. The ATO would never do this.

If you have a debt with the ATO, there will be letters reminding you that the debt is due and any action they intend to take to recover the debt will be in writing.

They will also contact Hern & Associates, as your Tax Accountants, to ensure that you are aware of the debt.

If you do receive a call from the ATO, please ask the following:

- Name of the person making the call
- Which section of the ATO are they calling from? ie BAS, Debt Collection etc.
- A reference number for the call – please be aware that ATO reference numbers do not start with letters.
- A contact number so that you can hang up and call them back.
- Don't give them any personal information

If you have any doubt, refer them to Hern & Associates. We have daily contact with the ATO and we will be able to handle any queries for you. To learn more about the various scams relating to the Australian Taxation Office you can visit the following website:

https://www.ato.gov.au/General/Online-services/In-detail/Online-security/How-to-verify-or-report-a-scam/?page=1#Examples_of_tax_related_scams



Important Information for Self Managed Super Funds

There are many changes coming up which will affect Self Managed Super Funds in the next 12 months. Hern & Associates will be holding an information session in October and we believe it is important for all trustees of a Self Managed Super Fund to attend.

We will be sending out invitations to trustees in July. If you are thinking of setting up a Self Managed Super Fund in future, we also encourage you to attend.

Please register your interest by emailing admin@herns.com.au or calling 8344 6011.



Lester Jarmyn
Senior Estate Planner

Lester has over 30 years experience in estate planning and Wills preparation, joining Australian Executor Trustees in 1976.

As a Representative of Australian Executor Trustees and through his long association with Brian, Lester is happy to assist clients in the areas of:

Specialist estate planning advice, including taxation planning and advisory services

- Will and Power of Attorney preparation
- Estate Administration
- Trustee services – Testamentary Trusts, Living trusts, Family Trusts and Charitable Trusts
- Attorney Services

Lester will be in our office on:

Thursday 10th September 9am, 10.30am, 2.30pm & 4pm

Please contact Hern & Associates on 8344 6011 or email Adrienne at admin@herns.com.au to book a free, no obligation appointment.

ROXBY DOWNS VISIT

Brian will be visiting Roxby Downs **Saturday 5th, Sunday 6th and Monday 7th September 2015**

Please contact us on 8344 6011 or reception@herns.com.au to book an appointment time.

PETERBOROUGH VISIT

Brian will be making his annual visit to Peterborough on **Friday 7th August 2015**

Please contact us on 8344 6011 or reception@herns.com.au to book an appointment time.



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