



Members of the Institute of Public Accountants



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ACCOUNTANTS

smsf | **advice**

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HOURS: 9am to 5pm
Monday to Friday

Welcome...

from everyone at Hern & Associates to the 2016 edition of The Informer.

In this issue of The Informer we will look at how the Federal Budget will impact your superannuation and news from the ATO. We will also introduce to you the new arm of our business – Hern & Keszler Financial Solutions. Tax Time is coming soon and we look forward to seeing you this New Financial Year!

Who is Hern & Keszler Financial Solutions?

New legislation has now dictated a change to the way Accountants give advice to Self Managed Super Fund trustees. As of 1 July 2016, Accountants wanting to provide advice on SMSFs will need to be licensed. Currently there are only 400 accountants Australia-wide who are licensed to provide advice and Maria & Brian are 2 of them.

We currently provide SMSF administration and accounting services. This is largely a compliance and administrative service to ensure your fund is established correctly and meets all the legal requirements. Government regulations have recently changed which means accountants are now required to be licensed to provide any SMSF advice.

As we are always looking for a way to improve our client services, Maria and Brian decided they needed to acquire SMSF licences.

This change will not only allow us to continue all the services we currently provide, but we can now be more pro-active and identify opportunities to maximise your SMSFs holding, rather than just responding to any queries you may have.

This will be different for every client, dependant on your individual needs and circumstances. It essentially means we now have a wider range of services we can offer you and we can ensure you get the most out of your SMSF.

We have included a table of how our services will be structured in future. You might notice some services previously provided by the accounting business have moved across to the advice area. This enables us to provide more comprehensive advice and ensures we are compliant with any legal requirements.

Accounting/Administration	Advice
Maintenance of trustee & member records	LICENCE REQUIRED
Monitor compliance with trust deed	Transition to retirement strategies
Monitor compliance with legislation	Re-contribution strategies
Capital gains tax maintenance	Limited recourse borrowing
Track member account balances & investment valuations	Business real property transfer advice
Dividend process	Centrelink
Expense allocation	Estate planning
Monitor/record binding death benefit nominations	Advice regarding multiple entities
Prepare annual returns, tax returns, audit	Succession & intergenerational strategies
Managing contribution limits	Retirement projections
Preparing Notice of Intent to Claim forms	Debt management
Pension limit monitoring	Investment strategy preparation
In-specie transfers	



All SMSF's will now be managed under the new arm of Hern & Associates, known as Hern & Keszler Financial Solutions Pty Ltd. This is so we are all covered under the new licensing rules.

SMSF Advice (a part of the AMP Group) is providing the licensing and support services for Hern & Keszler. We will have access to high quality support services and training and will be audited regularly for compliance.

With SMSF Advice licensing we can advise about:

- Rolling over your existing super
- Best structure for SMSF investments
- Pension and transition to retirement strategies
- Contributions advice
- Property Funding options with an SMSF
- Personal and Business insurance needs analysis and ownership issues
- Product recommendations for basic deposit products and CMT

If you have any queries about SMSF or Hern & Keszler Financial Solutions, please don't hesitate to contact us.



Tax News

Do you have a MyGov Account?

Since 2015 anyone with a myGov Account that has chosen to link the Australian Taxation Office to their account will no longer receive their documentation in a paper form from Hern & Associates.

The types of communication you will receive via your MyGov Inbox include:

- Notice of Assessments
- Statements of Account
- Confirmation and Reminder Notices
- Activity Statements or Instalment Notices (BAS & IAS)
- Requests for Information

By linking the ATO to your myGov Account you have agreed to receive ATO correspondence in your myGov Inbox, instead of a paper form being sent to your Registered Tax Agent.

If there has been correspondence sent to you from the Australian Taxation Office you will be notified by email or SMS when there is mail in your myGov Inbox to be opened.

In the meantime, we ask that you please be diligent in checking your **myGov Inbox** for any correspondence received from the Australian Taxation Office as Hern & Associates **don't** receive a copy of these letters any longer and cannot action requests in a timely manner.

Have you changed your name?

Have you recently changed your name? When we are processing your Tax Return we will need one of the following identity documents issued by Births, Death & Marriages to verify your new name:

- Australian Birth Certificate
- Australian Marriage Certificate
- Australian Change of Name Certificate (Deed Poll)

This is a new identity procedure in place by the Australian Tax Office. To ensure your Tax Return is not delayed please bring this to your appointment.

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

Fees for 2016

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.

Please be aware that we have not increased our fees in over 5 years. However, we have been forced to start charging for the amount of extra time spent dealing with the ATO over issues such as penalty remissions and payment arrangements.

**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 information 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 on line 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 for some time. 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 will be posting reminders via our Hern & Associates Facebook page.

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: www.ato.gov.au/general/online-services/register/businesses-and-tax-practitioners---register-for-an-auskey/

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

ASIC fees increase as of 1 July 2016

As of 1 July 2016 ASIC will be raising the following Annual Fees that will effect companies and Corporate Self Managed Super Funds

A Proprietary Company will now pay an Annual Company Fee of \$249.00

A Special Purpose Company (SMSF) will pay an Annual Company Fee of \$47.00

Failure to pay within the prescribed time limit carries the following penalties:-

- If payment is received within 1 month after the due date increases to \$76
- If payment is received more than 1 month after the due date increases to \$316

We recommend you pay your Annual Company Fee as soon as practicable as ASIC are very quick to issue penalties after the due date.



BUDGET 2016-17

How the Budget will Affect You

This year's Budget aims to boost the economy and benefit small business, but Superannuation will have tougher contribution rules.

Here is a brief outline:



Small Business

Small businesses were the winners in the 2016 Budget. From 1 July this year small businesses will get a tax cut with the rate reduced to 27.5%. In the past small businesses eligible for this rate have had to have a turnover of less than \$2 million. This threshold has now risen to include businesses with up to a turnover of \$10 million.

Small businesses, sole traders and start-up businesses with a turnover less than \$10 million 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.



Superannuation

Concessional Contribution Caps

Concessional (before tax) contributions are generally superannuation guarantee contributions and salary sacrifice. Currently the annual cap is \$30,000 for under 50's and \$35,000 for over 50's. As of 1 July 2017 the annual cap on concessional (before tax) contributions will decrease to \$25,000 per year. This cap will apply to every age group. From 1 July 2017, the Government will be extending the ability for individuals aged 65 – 74 to make concessional tax contributions to their superannuation without having to meet the current work criteria.

Non-concessional Contribution Caps

Non-concessional (after-tax) contributions are currently capped at \$180,000 per year or \$540,000 every three years for people under 65 years of age. As of 3 May 2016 there will be a lifetime cap of \$500,000 and will take into account all non-concessional contributions made since 1 July 2007.

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

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:

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



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:

Tuesday 23rd August 2016

9am, 10.30am, 1pm, 2.30pm & 4pm

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

Hern
& Associates

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