



Staff News

With the turn of the New Year we have some new staff members who have joined our ranks. We would like to welcome John Tipene, James Rurenga and Wendy Dixon to the Albany office.



John has recently made the move from Denmark to Albany and joined our office. John has a degree in Business and for the previous five years has worked in both public and commercial practices as an accountant. John is a keen cricketer and you will more than likely find him on the pitch this season.

James has also joined our team with the New Year. James has an Advanced Diploma in Accounting and has joined us as an assistant accountant for our superannuation team. James also has a passion in electronics and home theatre systems, which always keeps him busy.

Wendy joined the office in March 2011 as an administration assistant. Wendy has in the last year moved down from York where she was working for Farmanco for 7 years. Wendy has also driven dump trucks on the mine which makes for interesting stories at morning tea time.

Jo has also recently announced that she is expecting another baby in late September this year. She will be very busy then with Henry who will be 22 months old when the new baby arrives. We all would like to congratulate Jo.

Medical Expenses Offset

We have had some clients in recent months ask about the medical expenses tax offset. The medical expenses tax offset is a 20% tax offset (that is it comes off your total tax payable instead of your taxable income) that is allowed for eligible out of pocket medical expenses over \$1500.

Eligible medical expenses include: medical, dental, optical, physio and other therapeutic treatments under doctors recommendations, cosmetic operations where Medicare benefits are claimable and prescription medication.

The offset is calculated by taking the total medical expenses over the threshold of \$1500 less any government rebates or private health provider's benefits multiplied by 20% to come up with the offset amount.

Superannuation Update

We have recently been reviewing our self managed superannuation funds to determine who of our clients are reaching or are over the preservation age, which is currently 55 and informing them of their ability to commence either a transition to retirement or a full retirement pension.

The advantages of when a member commences a pension in the super fund is that their member balance in the fund becomes non taxable however if they are under 60 then any pension withdrawals are still taxable to the individuals own name.

Also lately we have seen an increase in the number of personal transactions and income going through the superannuation fund bank account. This is a breach of the superannuation act. Trustees of the fund need to remember that personal income should not be put into the super fund and any super fund expenses need to be paid by the super fund not the member's personally. Another breach we still see regularly is super fund bank accounts that become overdrawn. This is another breach in the super act and must be reported each time it occurs. This is a time consuming and costly process.

If you wish to discuss pension or have any questions regarding transactions by the super fund please contact one of our super team members in the Albany office.

Tax Planning

The end of the financial year is fast approaching and now is a good time to start looking at your taxation position and do some planning to avoid any nasty shocks when you get your tax done.

People always underestimate the possible deductions they are eligible to claim each year. Below are some simple tips to help minimise your tax liability and possibly save some money.

- Make sure you have kept all your receipts for work related clothing, donations, any work related study costs and other out of pocket work expenses.
- Don't forget to utilise the potentially available tax offsets such as the medical expenses and education expenses tax offsets.
- Keep a 13 week log book if you do any work related travel so that a claim can be made for motor vehicle expenses.

These are just a few examples of ways in which you can plan for your taxation liability at the end of year. If you wish to discuss any tax planning further please feel free to contact any of our accountants.

Paid Parental Leave

From January 1st 2011 the paid parental leave scheme will start. This new scheme is an entitlement offered to working parents funded by the government. The Paid parental leave equates to 18 weeks pay at the national minimal wage of \$ 570 before tax.

To be eligible for this scheme you need to be a full time, part time, seasonal, casual, contract or self employed worker. You also need to have worked at least 330 hours in 10 months out of the 13 months preceding the birth of your child. There is an income threshold of up to \$ 150,000 individual income to remain eligible for the entitlement.

The paid parental leave is not replacing the baby bonus still being offered however you can only receive one and families should choose which one they prefer in accordance with which is going to provide a better benefit.

The entitlement can also be transferred to the other parent or split between both mother and father to get the best balance of work and family life.

Application can be made up to 3 months before the birth or adoption of your baby. The application should be made to the family assistance office and they will also administer the payments.

If you are an employer whose employee will be taking this entitlement leave you will be contacted by the family assistant office and they will get the process rolling. They will then forward to you in either three instalments or fortnightly the funds to pay your long term staff member (more than a year service) and you simply pay them and withhold the normal tax amount. You are not required to pay the Superannuation Guarantee for your employee on the paid parental leave portion of their pay.

If you have any other queries in regard to this entitlement please check out the family assistance website.

<http://www.familyassist.gov.au/payments/family-assistance-payments/paid-parental-leave-scheme/>

Administrational Issues

Recently we have been processing the 2009-2010 income tax returns and have seen quite frequently clients who maintain their own computerised bookkeeping, change, add or delete transactions in the previous year.

This can prove to be costly and time consuming for us to determine what has been changed and the tax or GST implications. If you have a transaction that needs to be changed or amended in the previous year please contact us first to find out exactly how to go about making the change. This will minimise extra processing time and save you the extra costs.

We would love to hear from you.
Please feel free to contact us on the details below.

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