

**SPECIAL
POINTS OF
INTEREST:**

- Super Co - Contributions
- Upcoming Due Dates
- Insurance Health Check
- Education Tax Refund
- Tax Planning Tips

Elevated Thoughts

SUPERANNUATION SPOUSE CONTRIBUTIONS

This tax offset applies to contributions made on behalf of your non-working or low income earning spouse.

You may be able to claim 18% tax offset on super contributions limited to \$3000. This equates to a maximum tax offset \$540.

SUPER CO-CONTRIBUTIONS

As an incentive to boost your super savings the government will match your personal super contribution to a maximum of \$1000. If your taxable income is below \$31,920, you will receive \$1 for every \$1 contributed to a maximum of \$1000. Your co-contribution entitlement amount reduces by 3.333 cents for every dollar over \$31,920 until it phases out totally at \$61,920.



www.elevatedaccounting.com.au

Our website is full of useful information for small businesses and individuals please give us a visit.

Also follow us on Twitter and visit our Facebook page for timely tips and updates.

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MEDICAL EXPENSES REBATE

Make sure that you keep all medical receipts to ensure that you get your full rebate at tax time. A 20% tax rebate is available for out of pocket eligible medical expenses above threshold \$2000 for the 2010/11 year. The rebate is able to be claimed by one family member for the entire family, which means that families can combine all of their spending together to reach the \$2000 threshold. Some of the common expenses which can be claimed are,

- ◆ Payments to doctors, nurses, chemists, dentists, opticians and optometrists
- ◆ Payments for Chiropractic, Physiotherapy, masseuse services and the purchase of medical appliances may also qualify
- ◆ The purchase of non-prescription medicines relating to an illness will be claimable if they are purchased from a chemist
- ◆ The purchase of non-prescription medicines from a supermarket or health food store will not be claimable.

A good tip to ensure that you don't miss any of your prescriptions is to try and use the same chemist each time for prescriptions. This way the chemist can give you a print out at the end of the year for all the prescriptions that you have had filled there.

INSURANCE HEALTH CHECK

- ◆ Have you had your Life insurance and Income Protection insurances reviewed lately?
- ◆ Are you paying too much?
- ◆ Are your benefits as good as they can be?
- ◆ Is your life insurance correctly structured so that you can claim a tax deduction for it?
- ◆ Are the benefits still adequate to protect your family?

If you do not know the answers to these questions we can help. Nathan Harris, is offering a free insurance health check to Elevated Accounting clients. Nathan is a fully qualified financial planner who heads up Elevated Financial Planning. Nathan would be delighted to meet you at your house or our office. The health check is no cost to you but will give you the peace of mind that your insurances best suit your circumstances.



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EDUCATION TAX REFUND

An education tax refund is available for families who are eligible for family tax benefit Part A. It is available for students who are undertaking full time primary or secondary school studies. Eligible education expenses include

- ◆ computer purchases
- ◆ textbooks,
- ◆ home internet connections
- ◆ computer software.

Education expenses which can't be claimed include

- ◆ school fees
- ◆ uniform expenses
- ◆ musical instruments,
- ◆ sporting equipment
- ◆ transport expenses.

The claim is calculated at 50% of eligible expenses and the maximum claim for the 2010/11 year are \$397 for each primary school child and \$794 for each secondary school child. Make sure to keep all receipts so we can get you the maximum claim when we prepare your tax return



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TAX PLANNING TIPS

- ◆ Pre pay investment loan interest if possible – up to 12 months of interest can be prepaid. The lender must agree and also allocate the payment to interest and not against the principal.
- ◆ Investment property – many expenses associated with owning an investment property are tax deductible. Give us a call to discuss the after tax cost of adding property to your investment portfolio.
- ◆ Capital Gains Tax Planning – Have you made a capital gain during the year? Do you have other investments which are currently worth less than the original purchase price (eg shares)? If so it may be prudent to sell them and crystallize the loss in the current year. The capital loss can then be offset against the capital gain thereby reducing the tax payable. Of course any investment decisions cannot be solely driven by the tax consequences. Please discuss any CGT issues with us so we can formulate a tax planning strategy which will suit your circumstances.
- ◆ Stock take time can have tax benefits – do you have obsolete, slow moving or damaged stock? If you conduct your stock take prior to the 30th of June, it may be prudent to decide to clear out all the dead stock which has been sitting around. Some deep discounting on non moving stock can have tax benefits as



it will not count towards closing stock. This can help bring in some extra cash flow and also reduce the taxable profit.

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ELEVATED FINANCIAL PLANNING UPDATE

We combine expertise and commitment to provide you with complete investment solutions. We can help you with retirement and superannuation planning, estate planning, investment planning, budgeting, managed funds, life, trauma and income protection insurance.

As a Self Managed Superannuation Fund Specialist Advisor® Nathan Harris specialises in providing tailored solutions for those that wish to take control of their financial futures. With continuing legislative change in investment and superannuation markets, it is imperative that Trustees of Self Managed Superannuation Funds continue to review their positions including:

PERSONAL RISK PREMIUMS

Is your Life Insurance funded through superannuation and have you an adequate plan to minimise any taxation implications upon payment?

BORROWING WITHIN

SELF MANAGED SUPER

Have you considered the benefits of borrowing within Super and if it is appropriate for you? Please feel free to speak to us if you would like to discuss or explore these and any other Superannuation queries.



UPCOMING DUE DATES

31st May 2011 – due date for lodgement of the majority of 2009/10 income tax

returns 28th April 2011 – due date for lodgement of March quarter 2011 BAS

Did you know that if Elevated Accounting lodge your BAS the due date for lodgement and payment is extended by 2 weeks every quarter?