



**Newsletter, April 2017**

**Practice Update**

We're now busy getting the last tax returns lodged by the May 15<sup>th</sup> due date (which overlaps with the March BAS, 2017 tax planning and the May budget). Unfortunately daylight saving has finished so it's dark earlier in the evening (I'm not sure that the days feel shorter this year with the time that Elise likes to get me up in the morning). We hope that everyone enjoys the Easter break next weekend.

As the end of the financial year is fast approaching, it's important for tax estimates to be prepared so tax planning opportunities can be discussed and implemented before June 30<sup>th</sup>. Superannuation contributions are only deductible in the year that they are received by the superannuation fund so consider making payments before June 30<sup>th</sup> too. It can also be important to consider that contributions generally count against your contribution limit in the year that they are received by your superfund (not the period that they relate to).

**Superannuation contribution changes from 1 July – review your current arrangements now**

The concessional contribution limits will be reduced to \$25,000 for all individuals (currently \$30,000 if under 50 or \$35,000 if 50 and over).

The "10% test" will be removed to allow all employees to make personal concessional superannuation contributions. This means that employees will be able to make their own contributions rather than having to salary sacrifice through their employer.

The Div293 (additional 15% superannuation tax for higher income earners) income threshold will be reduced from \$300,000 to \$250,000.

The non-concessional contribution limits will be reduced to \$100,000 (from \$180,000). There is an opportunity to contribute up to \$540,000 until 30 June 2017 if you are under 65.

**Superannuation fund taxation changes from 1 July**

A limit of \$1.6m will apply to account-based pensions (where earnings are taxed at 0%). The excess balance above this amount will have the earnings taxed at 15%.

Earnings on investments held in transition to retirement income streams will be taxed at 15% (currently taxed at 0%), irrespective of when the income stream commenced.

**Lodgement Dates**

The March quarter has now ended so you should be aware of the following dates:

- 28 April 2017 March quarter superannuation due
- 28 April 2017 March quarter Business Activity Statement (BAS) due
- 15 May 2017 2015/16 income tax return due for all taxpayers not requiring earlier lodgement
- 30 June 2017 June quarter superannuation due if qualifying for 2016/2017 tax deduction
- 28 July 2017 June quarter superannuation due

Did you know that if your Tax Agent lodges your quarterly BAS electronically, you get a four week electronic lodgement and payment concession? This means that the March quarter BAS is due for lodgement and payment by 26 May 2017. Please contact me if I can be of assistance.

Kind regards,  
Nick