



## Newsletter, October 2017

### Practice Update

I hope everyone enjoyed the recent long weekend and the start of daylight saving. Elise turned one recently and is now running around everywhere. She doesn't like to sleep at childcare; everyone thinks that she's afraid that she might miss out on something (she has a great time and all the carers' attention when all the other children are sleeping). I'm looking forward to the basketball season so I can go to all the home games.

We've been busy helping businesses meet all their year-end employee obligations while also assisting with completing their BAS and varying PAYG instalments. Please mention us to any other business owners you know who could benefit from our services. We're enthusiastic to help businesses and are always accessible to clients on a timely basis.

### Super salary sacrifice arrangement changes

From 1 July 2017, the Government has removed the 10% test for the purposes of being eligible to claim a deduction for a personal contribution (the 10% test had previously effectively limited deductible personal superannuation contributions to self-employed people).

This means that it is no longer necessary for employees to salary sacrifice to make extra superannuation contributions.

Advantages of salary sacrificing into superannuation:

- An employer will reduce PAYG withholding after taking into account any amounts salary sacrificed.
- Administration associated with payments being made to the superannuation fund is easier (the "notice of intent to claim a tax deduction" requirements do not apply).

Advantages of personal deductible contributions:

- Additional superannuation contributions do not need to be negotiated with employers.
- Superannuation contributions can be made according to personal circumstances (lump sum contributions are typically made just prior to June 30).
- For small business owners, extra profits can be taken as distributions or drawings instead of higher wages to themselves which can potentially lower PAYG, payroll tax and WorkCover obligations. The drawings can then be contributed as personal deductible contributions.

A combination of both of these strategies may also be implemented.

The \$25,000 annual total concessional contribution limit applies to employer contributions (SGC & salary sacrifice) and personal deductible contributions.

### Lodgement Dates

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

- 28 October 2017 September quarter superannuation payment due
- 30 October 2017 September quarter BAS 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 September quarter BAS is due for lodgement and payment by 25 November 2017. Please contact me if I can be of assistance.

Kind regards,  
Nick