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Hi,

Welcome to the October issue of Your Wealth bulletin.

"The season of failure is the best time for sowing the seeds of success." (Paramhansa Yogananda)

Your salary sacrifice amounts

Check your super contributions

With the new financial year 1/4 of the way through, it's good timing to double check how much super you're contributing.

As announced in the 2009 Federal Budget, the government has cut the superannuation concessional contributions (pre-tax contributions) cap from \$50,000 to \$25,000 per year from 2009/10 for those individuals under 50 years of age. This includes both employer contributions, and any salary sacrifice amounts you may be adding.

For those aged 50 to 74 the concessional contributions cap has been reduced from \$100,000 to \$50,000 per year (non-indexed) up to 30 June 2012.

In light of the changes it is important that you consider these limits, as an excess contributions tax of 31.5% will be levied on the amounts contributed over the new caps. This is on top of the 15% tax paid by your super fund on the concessional contributions.

The amounts contributed that are in excess of this will also count towards your non-concessional contributions cap (ie. after-tax money) of \$150,000 per year.

If this limit is breached, then a further 46.5% tax will be levied. The total tax paid on the excess contributions would amount to a whopping 93%.

If you are uncertain as to the amount of super you're contributing, or believe that you may exceed the limit this

year, please contact me to discuss further.

The Henry Tax Review

Changes are coming

"The times, they are a changing" Never a more apt description could be quoted for the Australian financial system.

Names such as Henry, Ripoll, Cooper are probably not that familiar to you right now. But in coming months, the media will be touting their names daily.

Ripoll is examining the financial service system as a whole. There is likely to be a number of recommendations that effect the financial industry profoundly in the near future.

The Cooper review has been charged with examining and analysing the structure and operation of Australia's superannuation system. The Review is focused on achieving an outcome that is in the best interests of members and which maximises retirement incomes for Australians.

Superannuation has been tinkered so much over recent years, we would hope that a softly-softy approach is recommended from the Cooper review.

The bell-ringer for December 2009 is likely to be the Ken Henry Review. Henry speaks about the review as a once-in-a-generation game changer.

He will examine, and likely overhaul, our taxation system.

There has already been media speculation this week that the tax return system will basically be 'automated' for PAYG employees, thus freeing them from seeing their accountant unless they have more complex tax issues such as investment properties, etc.

In a recent Sydney Morning Herald article, the following points were speculated as being touched upon in the Henry Review as their recommendations to the government:-

- Cheaper insurance - possible lowering/removal of stamp duty/levies
- Alcohol taxation - a review of the bias in the taxation levels
- Housing stamp duties - likely to remain
- Payroll tax - likely to remain

- Company tax - likely to fall from 30% down to 25%
- Capital gains tax - possible removal of the 50% discount
- Superannuation access - possible lifting to age 67
- Lifetime annuities - examining a potential government role for lifetime income
- Road use - possible recommendation of a road user-pay model

More surprises are tipped on top of these leaked items.

So over Christmas, you can expect to read plenty on these three enquiries as they unfold.

My tip is not to spend too much time reading and worrying about how they affect you. As our client, that is our job.

We will be analysing the release of these reviews, as well as communicating with you in the New Year about the impact that they may have on you, if any at all.

[My tax rules, the Ken Henry way](#)

[\\$150 rebates on new washing machines](#) **[Rebates close on 30 June 2010](#)**

If your washing machine is on it's last legs (like ours), then for those in the marketplace for a new washing machine over the summer period, this is a timely reminder that the Sydney Water washing machine rebate of \$150 ends in June next year.

[Sydney Water - \\$150 Rebate](#)

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