

# CARDELL

## CHARTERED ACCOUNTANTS

newsletter

TAX  
NEWS  
2014

## personal taxation

The 2014 Federal Budget contained a number of significant taxation changes that will impact individual taxpayers. Income tax rates however remain unchanged for the year with the exception of taxpayers earning in excess of \$180,000.

### Personal income tax rates

Personal income tax rates and thresholds for resident taxpayers are summarized in the table below:

	2013 – 14		2014 – 15		2015 – 16	
	Threshold	Rate	Threshold	Rate	Threshold	Rate
1 <sup>st</sup> rate	\$18,201	19.0%	\$18,201	19.0%	\$19,401	19.0%
2 <sup>nd</sup> rate	\$37,001	32.5%	\$37,001	32.5%	\$37,001	33.0%
3 <sup>rd</sup> rate	\$80,001	37.0%	\$80,001	37.0%	\$80,001	37.0%
4 <sup>th</sup> rate	\$180,001	45.0%	\$180,001	47.0%	\$180,001	47.0%

### issue contents

personal taxation

superannuation  
contribution caps

personal super  
contributions

account based  
pensions

super guarantee  
increase

and more ...

### Medicare Levy increase

The Medicare levy will increase from 1.5% to 2% from 1 July 2014. The increase was introduced to help fund the proposed National Disability Insurance Scheme (NDIS).

### Most dependent offsets to be abolished

The Government has announced that most dependent offsets are to be abolished for all tax payers from 1 July 2014, including dependent spouse tax offset and housekeeper tax offset.

### Mature age worker offset

The mature age worker tax offset will be abolished from 1 July 2014 □

### accountants

Barry Hughes CA  
 Marcus Bond CA  
 Lyndal McKenzie CA  
 Rebecca Bond CA  
 Stacey O'Malley CA  
 Tracey McFee CA  
 Lynne Nicholas MIPA  
 John Kilsby BAcc B.Fin  
 Jason Kennedy BBusCom  
 Taylor Holub  
 Marcus Wright

### staff

Connie Butterfield  
 Practice Manager  
 Glenda Davis  
 Trudi Fouché  
 Karen Burrows  
 Tate Wheatley

## superannuation contribution caps

You can put as much money as you like into your super, but there are limits (caps) on how much you can contribute before you pay extra tax.

For the 2013-14 financial year the general concessional (before-tax) contributions cap for those younger than 60 years old in the 2013-14 financial year is \$25,000. From 1 July 2013, your excess concessional contributions will be included in your assessable income and taxed at your marginal rate. You may withdraw up to 85% of the excess concessional contributions to assist you in paying the additional tax bill. One of the effects of this is that the Penalty Tax Regime will be abolished.

Contribution Caps 2013-14		
	Limit (cap)	Tax rate if you exceed the cap
Concessional	\$25,000 (if under 60 years in 2013-14)	Amounts over \$25,000 will be added to your assessable income and taxed at your marginal tax rate
Concessional	\$35,000 (if turning 60 years old or older in 2013-14)	Amounts over \$35,000 will be added to your assessable income and taxed at your marginal tax rate
Non-concessional	\$150,000	46.5% (for amounts over \$150,000)

# CARDELL

CHARTERED ACCOUNTANTS

## personal super contributions

It is important to remember that personal super contributions are counted when received by your fund and not from the date when payment was made.

It is worth noting that 30 June 2014 is a Monday this year. This means that you will need to make your super contributions by Friday 27 June 2014, or preferably beforehand, as the fund must have received the contribution by this date. Be wary of relying on internet transactions made on Monday 30 June 2014 as they will most likely not be counted for the current year as the transaction receipt may be dated 1 July 2014, not 30 June 2014 □

## account based pensions

If you have a pension from a super fund, make sure you take at least the minimum pension amount required by 30 June 2014.

The pension will otherwise be treated as lump sum withdrawals and the super fund will not receive the pension tax exemption on the income derived within the super fund □

## australian government payments

Eligibility thresholds for Australian Government payments will be frozen for 3 years from 1 July 2014, making them affected by "bracket creep".

The major benefits affected are:

- Family Tax Benefit (FTB)
- Childcare benefit
- Childcare rebate
- Newstart Allowance
- Youth Allowance □

## taxable payments reporting

A reminder to businesses in the building and construction industry to lodge your Taxable Payments Annual Report by 21 July 2014.

You will need to report the total payments made to each contractor for building and construction services for the year ended 30 June 2014. Please contact our office if you require our assistance in the preparation and lodgement of this report □

## first home owner account scheme

The first home owner account scheme will be abolished from 1 July 2014 with tax concessions to cease from 1 July 2015.

Account holders will then be able to withdraw the balances without restriction □

## super guarantee increase

Just a reminder that the superannuation guarantee charge will increase from 9.25% to 9.5% from 1 July 2014.

If you are an employer, you will need to ensure that your payroll and accounting system applies the appropriate increase in the super guarantee rate □

visit us at [www.cardell.com.au](http://www.cardell.com.au)

**DISCLAIMER:** This publication is copyright. Apart from any use as permitted under the Copyright Act 1968, it must not be copied, adapted, amended, published, communicated or otherwise made available to third parties, in whole or in part, in any form or by any means, without the prior written consent of The Institute of Chartered Accountants in Australia.

## Technical experts and trusted business advisors

ACCOUNTING  
TAXATION SPECIALISTS

SUPERANNUATION  
ASSURANCE & AUDIT

BUSINESS ADVISORS

3a Billson St Wonthaggi T 03 5672 3722 E [contact@cardell.com.au](mailto:contact@cardell.com.au) W [www.cardell.com.au](http://www.cardell.com.au)

