

Horizon Management Pty Ltd Client Newsletter Autumn 2012

Welcome to the autumn newsletter for clients and friends of Horizon Management Pty Ltd.

In the last six months we've been busy finalising the 2011 tax season and implementing the changes to the Centrelink superannuation cases.

NEW STAFF

We welcomed two new staff members this year. Wendy Luscombe and Ami Mandavakar have joined the Horizon Management team.

Wendy Luscombe is an experienced client services manager and adviser and has already developed a great relationship with clients with her friendly and personable nature.

Her contact details are 08 8110 0952 and wendy@horizonmanagement.com.au

Ami Mandavkar is very experienced with superannuation funds and trustees. Ami's excellent communication skills and attention to detail are an asset to the team.

Her contact details are 08 8110 0942 and ami@horizonmanagement.com.au



Wendy Luscombe



Ami Mandavkar

CHANGES TO 2012

2012 sees a variety of changes that clients need to consider. Some of them include;

Co-contributions reduced, concessional cap paused, low-income catch-up tweaked

The government announced that the superannuation co-contribution matching rate will be reduced from July 2012. It also says the maximum payment level for co-contributions is to be pulled back, from \$1,000 to \$250 a year, the result of scaling back the co-contribution to 50% of a personal contribution, up to \$500 annually. The threshold for the payments will also fall from \$61,920 to \$46,920.

There will also be a pause in the indexation of the superannuation concessional contributions cap for one year over 2013-14, so that it remains at \$25,000. It is expected that the cap will then rise to \$30,000 for 2014-15. The \$500,000 Cap for over 50 year olds ends on June 30, 2012 anyway, and reverts to the \$25,000 that everyone else wears, regardless of age.

Age limit on super contributions to be stopped

As many readers will be aware, the government has proposed for some time that the superannuation guarantee (SG) should be raised from 9% to 12% of a worker's salary, and announced in the 2010-11 federal budget that this would be achieved incrementally from 2013 to 2019.

At the same time, the government announced its plan to increase the age limit for receiving the SG from 70 to 75 (at present, the SG contribution payment of 9% cuts out at age 70). But with the introduction of the first piece of Legislation to increase the SG to 12%, tabled in Parliament in early November 2011, Assistant Treasurer Bill Shorten added a surprise sweetener – that the age Limit on making superannuation contributions will not be raised, but will be scrapped altogether. *Continued on page 2*

In his speech, Shorten said: 'Currently, the Superannuation guarantee only applies to people Under 70. I have decided to remove the age limit for Superannuation guarantee contributions altogether. This means that an additional 18,000 Australians aged 75 and over will get the benefit of superannuation if They continue working.' The proposed change is due to Commence on July 1, 2013.

For clarification on any of these issues please speak to Anthony, Wendy or Ami.

Emergency money from your super fund; the rules

Are you aware that insurance costs for Total or Permanent Disability are deductible to your superannuation fund?

This occurs where the fund has a contingent liability for the payment of benefits in these circumstances.

The definition of incapacity is quite specific and needs careful management to ensure that the policy of insurance complies.

Save to say that this is a great benefit to small funds where such insurance has been paid out of after tax dollars by the individuals personally.

So what do you need to do if you find that your policies are of the complying type?

Firstly seek advice as to whether your policies can be transferred to the superannuation fund as owner, or seek a new policy that complies.

Remember that your professional advisers are best qualified to review the insurance policies to ensure compliance.

AUDIT PROCESS

Clients often ask about the role of the audit in the administration process. The auditor is independent of the administrator, and we provide an audit pack to your auditors to assist in the efficiency of their work. We do not audit your records and transactions, however we take due care in the preparation of your superannuation reporting.

CLIENT EDUCATION SESSIONS

We intend to provide client education sessions on current issues in superannuation administration, including traps and common errors.

NEW WEBSITE

The horizon website in January 2012 and this will continue to evolve in the coming months. Our intention is that clients will be able to access their client accounts from the comfort of their homes.



Visit www.horizonmanagement.com.au

FURTHER INFORMATION

For further information contact Anthony Cullen on anthony@horizonmanagement.com.au or 08 8410 5591

