



News and Views Podcast Show

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specialising in Financial Planning and Accounting

Guest Host:

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Episode 92 – Federal Budget

For this episode we are going to talk about the Federal budget and we will need to go through some of the major points that came out of the budget 2018 – 2019 year.

Key Items:

Taxation

- Seven-year personal income tax plan
- 01 July 2018 Low and middle-income tax offset \$350
- 01 July 2018 Extended threshold for 32.5% from \$87,000 to \$90,000 equate \$135 per year
- Other brackets extended over 23 – 25 financial years by 2025 37% bracket removed and 32.5% to go from \$120,000 to \$200,000

- No change to Medicare levy 2%

Business tax

- Extending \$20,000 write off assets to 30 June 2019
- Removing tax deductibility for non-compliant payment contractors 1 July 2019
- 1 July 2019 – testamentary trusts – minors can only benefit from adult rates on income derived from deceased assets and proceeds from sale.
- 01 July 2019 – UPEs fall under div 7a will be legislated in ITAA

Super

- 01 July 2019 people ages 65 – 74 with super balance under \$300,000 can make voluntary contribution for 12 months from end of year they satisfied work test.
- SMSF member to 6 from 01 July 2019
- 3-year audit cycle for some SMSFs 01 July 2019
- Prevent unintentional cap breach – individual earning over \$263,000 with multiple employers
- Personal deductible contribution – notice to deduct confirmation on tax return
- Insurance in Super – 01 July 2019. opt in basis for low balance \$6,000, under 25 or no contribution for 13 months.
- Pension Work Bonus 01 July 2019 – increased employment income threshold from \$250 - \$300 pf
- Pension loan scheme 01 July 2019 – voluntary reverse mortgage from Centrelink
- Home care packages increased by 14,000 over 4 years

- 01 July 2018 – increased funding by \$60 million plus \$82.5 million to support mental health for residents of aged care
- National register for Enduring Power of Attorney
- Means test for care allowance \$250,000 family.

Federal budget has some positive but no major changes. If you would like to any further information or discuss how was the changes might affect you, you can jump on our website www.buscgroup.com.au and we will give you a call.