Subject: FW: Happy New (Financial) Year From All of Us (PA)

Dear Friends

I am always struck by how well the social and business calendars work in Australia. Christmas and its associated holidays fall when it is hot - and tax time when we are all able to focus on our work (I feel a little sorry for our cousins in the northern hemisphere!) 1 July 2013 marks the start of the new financial year.

The end of the old financial year should not be a big deal. The ATO has set up some very clever systems to collect 95% of our important financial data and as I always say, paying tax is a good thing; it means you are earning money (just don't pay more than you have to!)

There are some important things you should be aware of from a financial planning point of view for the upcoming year:

1) The May budget changes to superannuation are **NOT** yet law. Therefore we need to keep an eye on preparing ourselves to take advantage of the changes, but not committing to them. This means if you are over 60 and working; be ready to increase your super contributions to $35,000 but do **NOT** breach $25,000 pa until I advise you to.

2) If you are a high income earner and get a pay rise, make sure you will not accidently breach the superannuation Concessional Contributions threshold – speak to us if you are concerned.

3) If you have retired or are Transitioning to Retirement and we have set up an Account Based Pension (ABP) for you, there will be a change to the minimum pension you receive (this occurs each year by law). Please contact us if you are also receiving Centrelink support and are advised by your private pension provider that you will receive more income, as it may affect your entitlements.

4) If you have a Self-Managed Super Fund (SMSF) you are one of its Trustees therefore be aware this is an onerous position to hold. Under a recent change to the law, you will need to review your fund's investment strategy every year and keep detailed notes on your decisions. Similarly, you must know and include a detailed record demonstrating your consideration of insurance for members. This cannot just be a one-liner or a tick-the-box exercise. **Serious penalties are now legislated for getting this wrong. (Fines of up to $11,000 which could be payable by the trustee personally!!)**

5) How old are you (or your friends and loved ones) turning this year? There are three key ages to be aware of in financial planning terms:

   55 years - when you can start a Transition to Retirement pension (which is likely to save thousands of dollars per year in tax).

   60 years – when you may be able to withdraw your super or take your private pension absolutely tax free

   65 years – when you are possibly eligible for full or part support via a Centrelink pension and in addition to the cash, you may be able to access a range of very generous discounts. Furthermore, you are able to access your superannuation regardless of your working status.

I would now like to take a moment to introduce our latest team member, Jason Zanini B.Ec. Adv. Dip. FS (FP). AFP, who joined us this week. We are very excited to have recruited Jason as he is one of South Australia's most competent financial planners. I look forward to introducing him to you all in due course.

Together with Michael Callisto, I feel we have a very strong team able to advise our clients and to grow together.

Finally, I would like to take a moment to farewell Dino D'Aloia, a member of our team for many years who has decided to head in a different direction. I wish Dino and his family all the very best for their future.

As always, if I or any of the team can be of assistance, please don't hesitate to contact our office.

Yours sincerely

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Financial Strategist
Authorised Representative

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