

Quarterly Newsletter - May 2013

Governments Reform to Super

The Government has announced reforms to super that may be more relevant to you include:

1. a) From July 2014, the Government proposes to introduce a cap of \$100,000 p.a. on the tax exempt earnings on assets supporting superannuation income streams (referred to here as 'pensions') for each individual; and
b) apply the super fund tax rate of 15% on the earnings of these assets which exceed the \$100,000 p.a. cap.
2. Changes to the proposed higher concessional contribution cap, with start dates on 1 July 2013 and 1 July 2014.

Age	Current	2013-14	2014-15	Expected from 2018-19
Over 60	25,000	35,000	35,000	35,000
50 and over	25,000	25,000	35,000	35,000
Under 50	25,000	25,000	25,000	35,000

Small Business Concessions: Changes to Simpler depreciation rules.

From the 2012-13 income year:

1. You can choose to use the capital allowance provisions immediately write off (that is, claim a deduction for a depreciating asset that cost less than \$6,500.
2. You can choose to use the capital allowance provisions to calculate the deduction for a motor vehicle costing \$6,500 or more that you start to use, or have installed ready for use, for a taxable purpose.
The cost of the motor vehicle is added to the general pool but unlike other assets, the deduction is %5,000 plus 15% of the remaining amount.
3. The long life small business pool and then general small business pool have been consolidated into a single pool to be written off at one rate.
You need to add together the closing balance of your long life pool and general small business pool for the 2011-12 income year to calculate the oping balance of your general small business pool for the 2012-13 income year.

If you require further detailed information please do not hesitate to contact our office.

Sincerely,



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