

Bnews

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Belmores

*Confidential Advice,
specific to your needs*

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Welcome to the January 2010 Edition of Bnews. We are now offering Bnews via email. If you would like to receive Bnews this way, please contact Reception and give them your contact details.

TAX REFUND EMAIL SCAM

Please be vigilant regarding bogus email requests alleging to be from the Australian Tax Office for bank account and/debit credit card details to allow for "refunds" to be deposited.

Please do not respond to any email requests for private financial data, bank account details etc without being absolutely certain of their authenticity. If you are unsure please contact us for advice on any such requests.

Please control/click on the link below to view examples of some of the different types of email spam.

http://www.ato.gov.au/onlineservices/content.asp?doc=/content/62347.htm&page=4#P132_9537

Belmores Team Movements

Due to the growth and staff movement in the Self Managed Superannuation Fund area, we have restructured this division. Sue Entwistle has taken over as the Manager of the Superannuation area. Sue has been with Belmores in the Accounting Division for over 20 years and has a wealth of information in Superannuation as well as very strong business and taxation background. She will also continue to service a core group of business clients.

Welcome Jennie Cai our newest addition to the Belmores team. Jennie has a Bachelor of Accounting and is studying for her CPA. Jennie will be responsible for all compliance work in the Superannuation area.



Nicholas Dean has been a member in the Accounting Division for 2 years will now be working in Superannuation. Nicholas takes over from Anthony

Powell who has taken a position with the Mulwala Ski Club. We wish Anthony Powell well as he seeks to endeavour new challenges at the Mulwala Water Ski Club

We wish Allan Wevers well on his retirement in December 2009. Allan was a valued member of staff. Allan is planning to continue to fine tune his lawn bowls skills and enjoy some well deserved camping trips and undertake a significant list of jobs that his wife Fran has saved up for him.

Danielle Williams has also resigned from Belmores to spend more time with her daughter Lara. We wish Danielle, Al and Lara well.

Belmore Snippets

Movember

Last November also saw a return to the eighties with Jack Giggins putting his best lip forward and growing a moustache for Movember. Rumours that Jack was using a black texta to highlight the growth of his mo were unsubstantiated. The modest young man declared that it was all natural!

Well done to Jack on his efforts.

Burramine Sports

Belmores have had a long association with the Burramine Sports Club as part of our commitment to supporting local community organisations. We are once again sponsoring the School Events. The 59th Burramine Gift will be held on Saturday March 20th with all profits supporting Yarrowonga Mulwala Respite House and Yarrowonga District Health Service.

Yarrowonga Netball Court Development

Bernadette McKenzie met with Debbie Cooper from the Yarrowonga & District Netball Association 17U Division recently to donate \$2000.00 towards the new netball courts. This donation was made possible by the Belmores Community Fund. The fund is contributed to by staff members through casual clothing days and is donated to a worthy cause in the Yarrowonga/Mulwala community.

Painting 50 Belmore St Office



Important: This is not advice. Clients should not act solely on the basis of the material contained in this newsletter. Items herein are general comments only and do not constitute or convey advice per se. Also changes in legislation may occur quickly. We therefore recommend that our formal advice be sought before acting in any of the areas. The Newsletter is issued as a helpful guide to our clients and for their private information.

Clients visiting the Accounting division will see a fresher clean approach to the building with the exterior being repainted in limed white colour with a black trim. In what might be an omen, the day the painters arrived so did the first lot of rain for the past month.

Belmores Home & Business Lending

“Will it really take 30 Years to pay off my Home Loan?”

Ever asked yourself this question? Or wondered why, despite meeting all of your monthly home loan payments your loan balance doesn't appear to be going anywhere.

Thirty years is the maximum term that most lenders will allow for a Home Loan ensuring that a minimum repayment is required each month by the bank. If you continue to meet only that minimum payment then, it is more than likely, it will take you thirty years to pay it back. However there are a few simple things you can do, without stretching the budget, which may cut months even years off the term and save you thousands of dollars in interest.

If you are paying monthly repayments by merely halving your monthly loan payment and paying it fortnightly you will make a significant reduction to the term and the interest.

For example: Home Loan of \$250,000 @ 6.49% with \$8 per month service fee, based over 30 years, the monthly repayment would be \$1,578.53 and the interest payable over the 30 years would be \$318,269.46. However if you were to halve the repayment amount to \$789.00 and pay it fortnightly, the loan term would reduce to 24 years and 1 month and the interest would reduce to \$245,309.43. That's a saving of \$72,960.03 and almost 6 years off the term.

Another way is to obviously pay a higher repayment, but it does not have to be a significant amount. Even an extra \$5 to \$10 a fortnight will make a difference over the life of the loan. If you receive a lump sum say from your Tax return, paying it off your loan, as opposed to spending it, will also reduce interest and loan term.

Perhaps its time you had another look at your Home Loan. If you would like to reduce the length of your home loan or ensure that you are getting the best possible deal on your existing or new borrowing then contact Tracy Gillies our Lending Consultant.

Belmores Accounting

Self Education deductible against Youth Allowance

In a recent case before the full Federal Court a taxpayer who was studying to obtain a teaching degree has successfully argued that she was entitled to claim expenses of self education which qualified her to receive youth allowance. The primary judge observed that the taxpayers claim is confined to the first line of S.8-1(1) which requires the expenses to be incurred “in the course of gaining or producing the taxpayer's assessable income”

Throughout the relevant period, the tax payer qualified for the Youth Allowance by satisfying the “activity test”.

That test required her:

- to be enrolled in a course of education at an education institution;
- to be undertaking at least three quarters of the normal amount of fulltime study; and
- to undertake the course to a particular standard to enable the secretary to form the opinion that she was making satisfactory progress towards completing the course.

The taxpayer undertook the studies to obtain a teaching degree and thereby qualify to teach; she did not undertake the studies to incur the expenditure to obtain Youth Allowance.

The Full Federal Court declared that in this present case, the occasion of the expenditure was the taxpayer's pursuance of her course of study for which she was enrolled and because of the manner and standard to which she pursued that course, it was productive of assessable income.

Self Education Objection

Generally taxpayers only have a two year window of opportunity to (back) claim self education expenses where they received Youth Allowance. If taxpayers wish to lodge objections they should do so now.

NOTE

The ATO have not decided whether they will accept the Full Courts decision or rather seek to appeal the decision to the High court, but we advise you to contact this office if you think you are effected by this decision and complete an objection declaration to protect your rights.

