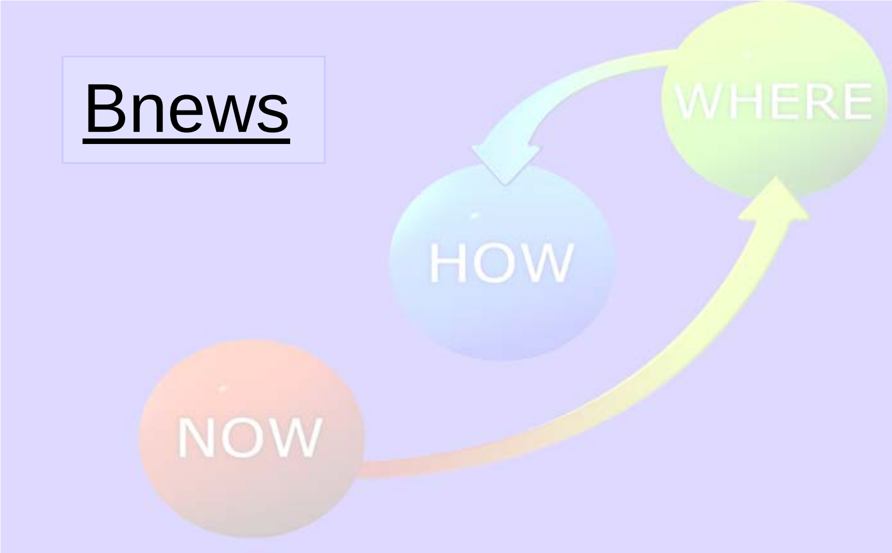

Belmores
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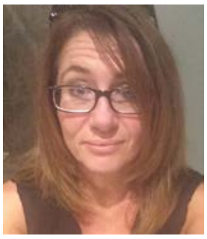
Welcome to 2016

Welcome to the 2016 End of Year Edition of Bnews. We are now offering Bnews via email. If you would like to receive BNews via email, please contact reception in your local office.

Belmores Team Movements



We welcome Michelle Houlihan. Michelle joined our Bright office in June 2016. Michelle is currently completing her CPA qualification and has a wide range of accounting experience.

Bill Tynan joined Belmores in September 2015 as a Taxation and Business Consultant bringing over 30 years' experience working with Big 4 firms. Bill provides advice in high level structuring and taxation solutions

We welcome Ian McKenzie. Ian started work with Belmores Wealth Management in August 2016 and is an insurance specialist.

Belmores Wealth Management welcome Elysha Waenga. She works with all 3 Financial Planners preparing reviews and Centrelink documentation.

Kelly Watters began in our Numurkah office in October 2016. Kelly has a Bachelor of Business Accounting and commenced the CPA program in July 2016. She has 10 years experience in bookkeeping and payroll.

Belmores Wealth Management welcome Amie. She works with all 3 Financial Planners preparing reviews and Centrelink documentation.

Kim moved back to her home town of Numurkah from Queensland 3 years ago. Kim has a background in bookkeeping and accounts payable.

Get connected with the Belmores App

Belmores has recently released an app for both Android and Iphone portable devices. Digital and Business Services Manager Andrew Jarratt said the app would make it simpler for business owners and clients to efficiently communicate with Belmores and to keep up to date with;

• Important lodgement dates and deadlines
• Upcoming client seminars
• Market updates
• Important news and information
• Helpful hints to make your accounting and tax issues easier to manage

The app is easy to install;

• For android, open the Google Play store and search 'Belmores'. The logo will be one of the programs, so tap it, and then tap the download button.
• For IPhone or IPad, search it in the app store, and then having selected the logo, tap the cloud logo in the top right corner.

"The Belmores app will let you communicate with us while you are on the go, saving you time and streamlining all your accounting, financial planning and taxation affairs."
Download the Belmores app from the store today.

Income Protection Insurance

If you are employed, or self employed, you should consider income protection insurance.

The Benefits

Up to 75% of your pre-tax income if you are unable to work due to illness or injury. Meet your living expenses while you recover.

How does it work?

Many people insure their home and contents, even their life. Yet, all too often, they don't adequately protect what is potentially their greatest asset – their ability to earn an income.

Think about it this way. If you are unable to work for an extended period due to illness or injury, how will you meet your mortgage repayments and other bills and expenses? Without an income, you could run down your savings very quickly and face financial difficulty.

Rather than putting your family's lifestyle at risk, by taking out Income Protection insurance, you could receive a monthly benefit of up to 75% of your income to replace your lost earnings while you recover.

Most income protection policies offer a range of waiting periods before you start receiving your insurance benefit and you can choose a range of benefit payment periods generally available up to age 65.

What is your future earning capacity?

If in doubt about the importance of protecting your income the table below shows how much you could earn by the time you reach age 65.

How much will you earn by age 65?

Current Income	Age Now 25	35	45	55
$ 40,000	$ 3,020,000	$ 1,900,000	$ 1,070,000	$ 460,000
$ 60,000	$ 4,520,000	$ 2,850,000	$ 1,610,000	$ 690,000
$ 80,000	$ 6,030,000	$ 3,810,000	$ 2,150,000	$ 920,000
$ 100,000	$ 7,540,000	$ 4,760,000	$ 2,690,000	$ 1,150,000

Assumptions: Income increases by 3% pa. No employment breaks. Figures rounded to nearest $10,000.

If you would like to discuss income protection or like a review of your existing cover please call **Ian McKenzie our Insurance Specialist** for an obligation free discussion **03 5744 1221.**

Belmores Secure Client Portal

The take up rate with our Client Portal has exceeded expectation. A combination of concern over the lack of privacy with emails and the slow delivery of traditional mail by Australia Post has seen clients embrace this form of communication. This Secure Client Portal is available through Belmores website [www.belmores.com.au.](http://www.belmores.com.au)

The Portal is a web-based application used for secure file transfers and continued access between Belmores Chartered Accountants and our clients.

Your Portal User ID and login information will be provided via email. All documents made available for continued access such as a tax returns or financial statements will remain on your portal for a period of 3 years in accordance with Belmores Chartered Accountants record retention and portal use policies. Our portal is extremely user friendly, with over 200 clients currently logging in and enjoying the convenience of having their information kept in a secure and safe location.

If you would like to begin using our Secure Client Portal, or would simply like more information, please contact your local office.

Belmores Facebook Page

Thank you to all those who have liked our Belmores Facebook page. If you would like to be kept up to date on our seminars, competitions, positions vacant, or just general tips about accounting or financial planning, just search Belmores Chartered Accountants and like our page.

Changes to Superannuation

The federal parliament has finally passed legislation in relation to the superannuation changes announced at the May budget. The following 'Superannuation Reforms at a Glance' table issued by Treasury and compiled by the Financial Planning Association of Australia, is a good summary of the major changes that will affect our clients. The changes to superannuation contribution limits are clearly shown in the table. In summary, both concessional and non-concessional contribution limits have been reduced from 1 July 2017.

This may mean that you should consider whether to obtain advice now to maximise the current higher contribution limits prior to 30 June 2017 and also to review and potentially reduce your contributions from 1 July 2017 to stay below the new contribution caps.

Another major change is the introduction of the $1.6million superannuation pension balance limit. Currently, all income produced by superannuation assets backing a pension is tax free. From 1 July 2017 an individual's superannuation pensions must not total greater than $1.6million as calculated on 30 June each year and the earnings will remain tax free. Any balance above $1.6million per person can remain in superannuation but not in pension and hence the investment earnings will be taxed at the accumulation tax rate of a maximum 15%.

If you have a superannuation balance above $1.6million then you should discuss the changes with your Financial Adviser as there will be strategies to consider prior to 30 June 2017 to maximise your after tax position.

The final major change is to 'Transition to Retirement Pensions'. These are pensions that are started whilst you are still working to supplement your work income. However, as the assets backing these pensions were producing tax free income, many people started pensions to gain a tax advantage and not necessarily because they needed the extra income. From 1 July 2017, the earnings inside a 'Transition to Retirement Pension' will be taxed at the accumulation tax rate of a maximum 15%. The government believes this will encourage people to only draw a 'Transition to Retirement Pension' when they are genuinely transitioning from full time employment to part time employment and require the extra income from their superannuation prior to full retirement. **If you are currently drawing a Transition to Retirement Pension then you should review this strategy with your adviser prior to 30 June 2017.**

As always, we are available to discuss these changes and how they relate to your specific circumstances.

Superannuation Reforms At a Glance

	BEFORE			AFTER (from 1 July 2017)		
	TAX	**LIMIT**	**OTHER**	**TAX**	**LIMIT**	**OTHER**
CONCESSIONAL (BEFORE-TAX) CONTRIBUTIONS Include: • compulsory Super Guarantee contributions; • voluntary salary sacrificed contributions; and • voluntary personal contributions where a tax deduction is claimed.	15% 30% if income and super >$300K refund tax if income <$37,000 **Low Income Super Contribution**	**$30,000 p.a ($35,000 for people 50 and over)**	Only the self-employed whose salary and/or wage is less than 10% of their income can make deductible contributions. People aged 65-74 can only make voluntary contributions if they are working.	15% 30% if income and super >$250K refund tax if income <$37,000 Low Income Super Tax Offset	**$25,000 p.a for everyone** and allowing catch-up contributions of unused caps from the prior 5 years for people with balances less than $500,000, from 1 July 2018.	More people are able to claim a tax deduction for super contributions to eligible super accounts up to the cap. People aged 65-74 can only make voluntary contributions if they are working.
NON-CONCESSIONAL (AFTER-TAX) CONTRIBUTIONS Include: • contributions from take home pay; • inheritances; • spouse contributions; • proceeds from sales of assets; and • contributions above the concession limit.	After-tax income no tax in fund	**$180,000 p.a** 3 yr bring forward for people under 65.	**$1.4 million** additional CGT cap for eligible small business owners. Tax offset for spouse contributions only where recipient income is less than **$13,800** People can only make non-concessional contributions to their spouse if their spouse is less than 65 or 65-70 and working.	After-tax income no tax in fund	**$100,000 pa** for people with balances less than $1.6m, with 3yr bring forward for people under 65.	**$1.4 million** additional CGT cap for eligible small business owners. Tax offset for spouse contributions where income is less than **$40,000** People can only make non-concessional contributions to their spouse if their spouse is less than 65 or 65-70 and working.
EARNINGS TAX ON ACCUMULATION ACCOUNTS	15% (10% on capital gains)			15% (10% on capital gains)		
EARNINGS TAX ON RETIREMENT PHASE ACCOUNTS	TAX FREE	**no limit** No limit on the size of retirement phase accounts	People who have reached preservation age but are under 65 and not retired **can access** a transitional super income stream (TRIS) with tax free earnings. Only income streams that pay a regular income are eligible for the earnings tax exemption.	TAX FREE	**$1.6m transfer balance limit** Excess balances can be held in an accumulation account.	People who have reached preservation age but are under 65 and not retired **can still access** a transitional super income stream (TRIS) but earnings on the amount supporting it will be taxed at 15%. Innovative new retirement income stream products will **become eligible** for the earnings tax exemption.
BENEFITS	TAX FREE	Minimum draw down requirements for retirement account based pensions.	People can elect to treat certain income streams (including TRIS) as lump sum payments to **reduce their tax liability.**	TAX FREE	Minimum draw down requirements for retirement account based pensions.	People will **no longer** be able to treat super income streams (including TRIS) as lump sum payments to reduce their tax.