



SMSF CLIENT UPDATE

JULY 2019



CHARTERED ACCOUNTANTS & FINANCIAL PLANNERS

CHANGES TO ANNUAL SMSF AUDITS

From 1 July 2019 – we have engaged Evolv Super to conduct all Self-Managed Superannuation Fund audits for all clients.



Why have we made this change?

Evolv Super work off a 10-business day turnaround for all audits meaning we will be able to lodge your tax return sooner.

Will I need to do anything different?

Evolv Super are likely to require additional information to complete the audit. In most cases, we will be able to provide this information on your behalf however we may request additional evidence such as bank statements and dividend statements.

We will also provide you with an Engagement Letter and Trustee Representation Letter from Evolv Super as part of signing your end of year SMSF documents.

Will it cost any extra?

In most cases – no. Evolv Super audit fees are in line with previous fees.

In addition, as all Evolv Super fees are paid by HC Partners, you will no longer receive a separate invoice for your audit.

CATCH-UP (OR CARRY-FORWARD) CONCESSIONAL CONTRIBUTIONS

From 1 July 2018, you have been able to carry forward your unused concessional contributions cap.

The first year that this new concession can be used is 2019/20 (i.e. from 1 July 2019) – but only if your total superannuation balance is less than \$500,000 at 30 June of the previous year.

Unused amounts are available for a maximum of five years and will expire after this.

See the following example (where the total superannuation cap is assumed to be less than \$500k):

Year	2018/19	2019/20	2020/21	2021/22	2022/23
General Contributions Cap	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000
Carried forward cap available at start of year	\$25,000	\$50,000	\$60,000	\$70,000	\$80,000
Actual Contributions made	\$0	\$15,000	\$15,000	\$15,000	\$15,000
Unused cap carried forward from end of financial year	\$25,000	\$35,000	\$45,000	\$55,000	\$65,000

This can be a great tax planning tool particularly where your taxable income varies year to year and/or you have a one-off increase in your taxable income from a capital gain or redundancy.

Contact us for assistance.

Super Contributions

SUPER CO-CONTRIBUTION

If you are a low or middle-income earner and make personal (after-tax) super contributions to your super fund, the government also makes a contribution (called a co-contribution) up to a maximum amount of \$500.

Contact us for more information regarding eligibility criteria or go to:

[www.ato.gov.au / Individuals / Super / In-detail / Growing-your-super / Super-co-contribution](http://www.ato.gov.au/Individuals/Super/In-detail/Growing-your-super/Super-co-contribution)

LOW INCOME SUPER TAX OFFSET

Eligible individuals with an adjusted taxable income up to \$37,000 will receive a low-income super tax offset (LISTO) payment to their super fund.

The LISTO is calculated on 15% of the concessional (before tax) super contributions you or your employer pays into your super fund. The maximum payment you can receive for a financial year is \$500, and the minimum is \$10.

SPOUSE CONTRIBUTION TAX OFFSET

If your spouse earns less than \$37,000, you may be entitled to a tax offset of up to \$540 per year if you make a superannuation contribution on their behalf.

To be eligible, the contribution cannot be deductible to you, the person must be your spouse and your spouse must not have exceeded their concessional or non-concessional caps or \$1.6m transfer balance cap.

DOWNSIZING CONTRIBUTIONS

From 1 July 2018, if you are 65 years old or older and meet the eligibility requirements, you may be able to choose to make a downsizer contribution into your superannuation of up to \$300,000 from the proceeds of selling your home. There is no requirement for you to purchase another home.

Eligibility criteria:

- you are 65 years old or older at the time you make a downsizer contribution
- the amount you are contributing is from the proceeds of selling your home
- your home was owned by you or your spouse for 10 years or more prior to the sale
- your home is in Australia and is not a caravan, houseboat or other mobile home
- the proceeds from the sale of the home are either exempt or partially exempt from capital gains tax (CGT) under the main residence exemption,
- you have provided your super fund with the Downsizer contribution into super form either before or at the time of making your downsizer contribution
- you make your downsizer contribution within 90 days of receiving the proceeds of sale
- you have not previously made a downsizer contribution to your super from the sale of another home.

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Important: This is not advice. Clients should not act solely on the basis of the material contained in this bulletin. 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. This bulletin is issued as a helpful guide to clients and for their private information. Therefore it should be regarded as confidential and not be made available to any person without our prior approval.

We're moving

soon!

**BUT WE HAVEN'T MOVED YET,
WE'LL LET YOU KNOW CLOSER
TO THE DATE.**



**OUR MAILING ADDRESS AND CONTACT INFO
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