

CLIENT SOLUTIONS – Autumn 2017

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NASH SOLUTIONS – Practice News

New Staff Member

We welcome Emma Sullivan who commenced in January. Emma has relocated from Victoria and is our new reception, administration and clerical officer.

Please introduce yourself to Emma when you contact us so she is welcomed into our community.

Our Nash Solutions Email Policy

We take this opportunity to remind clients that we check our emails at regular intervals during the day and seek to respond to all emails and telephone calls on a timely basis. This policy provides an adequate response to the vast majority of enquiries. However, if you have an urgent matter that must be dealt with on an immediate basis then please send us a detailed email brief of the situation and then also contact us by telephone to ensure your matter is escalated.

At Nash Solutions our goal is to provide holistic solutions to client problems, to grow our client businesses and investments and to accumulate client wealth for their retirement. We seek to deliver this by providing accurate, timely and proactive advice.

We value our relationship and if you have any like-minded business associates who could benefit from Nash Solutions services then we would be most grateful for your referral.

CLIENT PROCESSING

2017 YEAR END TAX PLANNING

We remind clients that 2017 year-end tax planning must be completed before 30 June. Contact us now in order to complete your review.

ATO WARNINGS

We would like to remind clients that if you receive a letter from the ATO you should read it carefully as it may include critical information. If you have any queries in regards to the letter please contact us immediately.

Most ATO correspondence will issue through our office in which case we will review it before forwarding and provide you instruction.



" That's the way Dad does it on his income tax. "

TAXATION COMPLIANCE

DUE DATES#

March BAS

28/04/17

Monthly BAS/IAS

21st of next month

2017 Fringe Benefits Tax annual

21/05/17

Top up Super Contributions

30/06/17

2017 Tax Returns for clients with outstanding 2016 or prior year returns

31/10/17

Large Individuals

31/03/17

All other taxable Individuals, Companies and Superfunds

15/05/17

All other Individual, Company and Superfunds providing payment is also made on lodgement

05/06/17

Further extension may be available, contact us if you have an exceptional circumstance which might delay your lodgement.



INTRODUCTION

When a business owner is looking to dispose of their business assets as part of their planning for retirement, there are many considerations that come into play which typically include how to:

1. Manage any resulting CGT from the disposal of the assets, and
2. Maximise their retirement income.

It is in these situations that the small business CGT concessions are extremely valuable. This is because any capital gain generated by the sale of the business assets can be reduced, deferred, or eliminated, if the qualifying conditions for these small business concessions apply. In addition, depending on which of the concessions apply, the business owner may also become entitled to use the lifetime superannuation CGT contribution cap.

This CGT contribution cap currently allows non-concessional superannuation contributions of up to \$1.415 million to be made in addition to the standard concessional and non-concessional contribution caps. The availability of the CGT contribution cap is especially important where a business owner's main assets are tied up in their business and they don't otherwise have significant amounts accumulated in superannuation.

THE FOUR SMALL BUSINESS CGT CONCESSIONS

Outlined below is a brief description of these concessions including the key qualifying conditions:

1. 15-year exemption – exempts all the capital gain and is broadly applicable when selling an asset that had been held continuously for at least 15 years prior to its disposal. Some of the specific conditions that need to be satisfied include the relevant business owner be age 55 or over at the time of the asset disposal which needs to occur in connection with their retirement. It can also apply in certain permanent disablement situations.

2. 50% active asset reduction – exempts 50% of the capital gain and applies in addition to, and after, the application (where applicable) of the general 50% discount.

3. Retirement exemption – exempts up to \$500,000 of otherwise assessable capital gain for each individual owner. This concession, despite its name, does not actually require the relevant business owner to retire. But if the person is under age 55, a specific qualifying condition is that an amount equal to the exempt amount must be contributed to superannuation in order to qualify. A separate written election must be made and retained by the business owner for this concession to apply, indicating the CGT-exempted amount that is being claimed.

4. CGT roll-over relief – provides deferral for at least two years of any assessable capital gain remaining after having applied the other concessions. The deferral period can be extended where the required amount of sale proceeds are subsequently used by the business owner to actually acquire a replacement qualifying business asset (or to make a capital improvement to an existing asset). The deferral continues until that replacement asset is disposed of, or its use changes.

Where a replacement asset is not acquired by the end of the two year period, the deferred capital gain becomes a taxable gain in that year. It is possible at that time to use the retirement exemption (if available) to decrease or eliminate the otherwise taxable gain.

As always, as this is a complex tax matter please speak to us at Nash Solutions before proceeding.

Note: In the years before the sale of your business you should be consulting with Nash Solutions in order to maximise the value of your business. By doing so you should realise a higher price and therefore have more funds in retirement.



We remind clients that we provide a full range of financial planning services including investments, savings and retirement plans, life and income protection insurance, superannuation, super pension and Centrelink age pension analysis using our 'DomaCom Guided Planning System'.

RISK ON

The market continued its positive form over December 2016 following the initial panic and rebound triggered by Republican candidate Donald Trump's successful election victory in November 2016.

FED REACTS TO ECONOMY AND TRUMP PROMISES

As expected, the United States (US) Federal Reserve (Fed) raised interest rates by a nominal 25 basis points (bps) in December 2016, with markets having fully priced in the move. The expectation is now for three increases instead of two in 2017.

ITALIAN PRIME MINISTER RESIGNS

Italian Prime Minister, Matteo Renzi, resigned following a failed referendum. The result was seen as further evidence of the populist movement sweeping global political events.

COMMODITY PRICES CONTINUE CLIMB

Oil and iron ore prices continued their movements through December, as they rose 13.2% and 7.4% respectively. Oil prices have begun to adapt to the Organisation of Petroleum Exporting Countries (OPEC) agreement to cut production to 32.5 million barrels per day, starting January 2017. China's strong manufacturing expansion and ensuing demand attributed much of the growth in iron ore pricing.

BOND MARKETS RELATIVELY FLAT

Most major government bond yields saw slight rises over December. The Barclays Capital Global Aggregate Bond Index rose 0.4% and the Citigroup World Government Bond (ex-Australia) Index returned 0.3% over the month, both on a fully hedged basis.



New Years' resolutions are about feeling better. Often this involves a new diet or exercise routine, but after a Christmas splurge, it's not too late to add your financial health to the list. With this in mind, here are a few tips to help you get ahead this year.

SET YOUR GOALS

One of the most common (and commonly broken) New Year's resolutions is to save more money. But nobody saves money for the love of saving money. To make this resolution stick you need to first know what you're saving for. Set some measurable goals with deadlines and remind yourself regularly of what you're really working towards e.g. Mortgage, Children's University Costs, Weddings Etc.

SET YOUR BUDGET

So often people who earn good money complain that they don't know where all their money goes. In order to save money, you need to know what you're spending. Determine how much income is coming in, how much is being spent, where it goes and how frequently. Then work out how much you need to achieve your goals. Break this down to how much you need to save per pay packet. The key is to ensure your budget is both realistic and sustainable. Give yourself a little room to still enjoy life and remember to reward yourself when your goals have been achieved (without breaking your budget of course).

GET THE BEST DEAL

One of the simplest ways to make more money is to always get the best deal. Review your mortgage and check the interest rate you're paying. While official interest rates are at historic lows, some of the banks have unofficially increased rates in late 2016. Whether it's fixed or floating rates or even changing providers altogether, check you are getting the best deal. Compare interest rates and the mortgage features that are important to you, and don't forget about the exit fees. While you're at it, shop around for the best deal on your electricity, gas, mobile, internet and insurance.

We can assist you through Lifespan's technical team and finance brokers.

ARE YOU PROTECTED?

Insurance – do you have enough? A new job, mortgage or kids are all reasons your level of insurance may no longer be adequate for your circumstances. Income protection insurance is often the most overlooked type of insurance but it covers you if you're sick or injured and temporarily unable to work. It can ensure your living expenses such as rent, mortgage, household and medical bills can still be met and what's more, it's completely tax deductible (if policy is held outside of super). Review your insurance today and get the right level of cover.

Beware, Industry superfund and online insurance generators are generally claims based underwriting policies – these are problematic and expensive if you are not covered for the period you think, or at all.

CHECK YOUR SUPER!

Big changes are coming to super from 1 July 2017. This includes a reduction in how much you can contribute to super (see our special topic section for details on the changes).

And remember, if you have multiple super accounts, you're probably paying multiple fees or have insurance cover you don't need. You wouldn't pay for this from your savings account so don't pay it from your super. We can assist you to make the process simple!

GET SMARTER

Make 2017 a year for learning more. Whether it's reading our articles, the finance section of the paper, subscribing to one of the consumer finance magazines, doing a short course to increase your financial IQ – remember, you're always better off knowing more.

And remember, there are long terms benefits from our advice beyond financial gains:

Recent research from IOOF showed the intangible benefits of financial advice and the results were compelling. Their survey revealed people who receive ongoing financial planning advice experience:

- 13 per cent greater levels of overall personal happiness
- 21 per cent overall increase in peace of mind
- 20 per cent increased feelings of security regarding their day to day finances
- 19 per cent less likelihood to have arguments with loved ones.

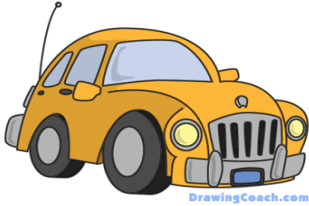
While those that don't receive financial advice were:

- 22 per cent more likely to have their sleep disrupted due to money concerns
- 15 per cent more likely to feel stress and anxiety.
- 11 per cent more likely to feel concerned about their finances

That's why you should speak to a Financial Adviser at Nash Solutions and we can review your situation and build a strategy to help you get the most out of your 2017.

THINKING OF BUYING A NEW VEHICLE?

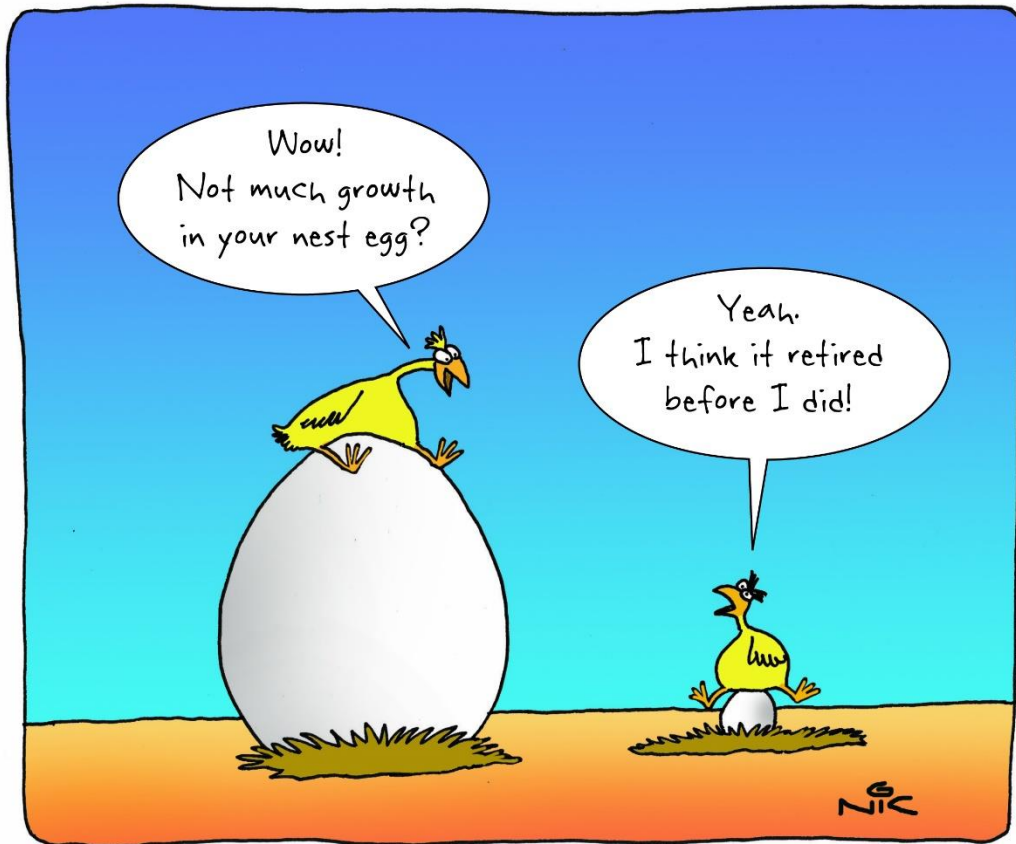
We remind clients that car dealers play many tricks with new car prices, trade values and in-house finance in order to spruik up their 'deal' and at the same time extract maximum profit. We are in a position to advise you on how to get the best actual deal when trading.



Planning points:

- Find your new vehicle / plant
- Negotiate a cash price
- Call us for effective financing of the deal

SPECIAL TOPIC – Big Superannuation changes in 2017



A sweeping raft of changes will be introduced in 2017 that members must take into account to ensure they are making the most of their superannuation fund.

To see the changes in detail please read Lifespans Personal Wealth Newsletter Autumn 2017 from either our Website or as emailed to you.

MAKE THE MOST OF THE CURRENT RULES

As the lower contributions caps don't kick in until 1 July 2017, now might be the time to consider making voluntary contributions to super if you're in a position to do so.

"These are the largest changes to Australia's super system in almost a decade and this spike in voluntary contributions reflects not only more confidence in the system, but a sentiment to act early and take advantage of this window before the new rules take effect," says Mr Chun from Mercer Investments.

"The reduction in non-concessional contributions cap will have a major impact, making this next period an extremely valuable opportunity for people to increase their super before the June cut-off."

It's important to seek advice as the rules are complex and there are penalties if you go over the caps.

That's why you should speak to a Financial Adviser at Nash Solutions and we can review your situation and build a strategy to help you get the most out of your Super.

LAST CHANCE PRE 30/06/2017

Here are the strategies you must implement before 30 June 2017:

- If you have a balance of \$1.6 million or above in pension phase you will have to revert some of it back to accumulation phase to bring yourself back down to the \$1.6 million cap.
- You should maximise your concessional contributions of \$35,000 for those above aged 49 and \$30,000 for everyone else.
- You should make Non-concessional contributions while the cap is \$180,000.
- Review your Transition to Retirement Pension to make sure the increased tax on investment earnings makes the strategy worthwhile.
- Review your salary sacrifice arrangements as the cap is significantly lowered next financial year. Your Salary sacrifice arrangements may be under the cap this financial year but too high for the next.

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Acknowledgement: We wish to acknowledge Mercer Investments (Australia) Limited as the source of the information used in the preparation of this newsletter. The economic and investment analysis content of this newsletter is based on their latest published Market Valuation & Economic Review for January 2017.

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[View past Nash Solutions newsletters](#)

“Cashflow is critical for business growth and survival. Is your business generating the returns you require and is it maximising your wealth?”

Nash Solutions Business Services can assist you with:

Accounting, book-keeping and day to day business administration services

Taxation advice, including:

- Year-end tax planning
- CGT and business rollovers
- GST
- Negative Gearing

Small Business advice, including:

- Structuring
- Incorporation and company secretarial services
- New business start up
- Business acquisitions and valuations
- Business Sale

Tax return and BAS preparation

Superannuation, including:

- Self Managed
- Employer Superannuation Funds
- CGT rollovers on sale of business

Business analysis, including:

- Financial Analysis
- Management accounting

Business planning, including:

- Financial Analysis
- Management accounting

Financing, including:

- Review of current finance arrangements
- Equipment and motor vehicle finance

Computerised Records, including:

- Accounting related assistance generally
- MYOB software and computer support
- Banklink

Audits

- Self Managed Super Funds
- Clubs and Associations
- Companies

“Savings plans are necessary to ensure sufficient funds are available for your retirement. Will you live the comfortable retirement you dream of?”

Nash Solutions Financial Planning Services can assist you with:

Children’s education plans, including

- Imputation Bonds

Direct Share Investment

Superannuation, including:

- Individuals
- Employer group policies
- Self-Managed Superannuation Funds

Personal Insurance, including:

- Life
- Total & Permanent Disablement
- Income Protection

Finance, including:

- Debt consolidation
- Housing & Commercial Loans
- Investment Loans
- Vehicle, Plant & Equipment

Wealthvue retirement and lifestyle planning analysis

- Income streams and capital drawdowns
- Centrelink benefit planning and analysis for age pension retirees

Estate succession planning **Aged Care Planning**

“3 in every 4 Australians will be diagnosed with a serious illness during their working life and will spend many months off work. Will your family live in poverty?”