

Home Buyers

Legislation was passed on the 25th of June 2008 in an aim to boost the savings of aspiring first home buyers through a combination of lower taxes and government contributions. First Home Saver Accounts are available from the 1st of October 2008.

The First Home Saver Account does not replace the First Home Owner Grant, meaning that a person may be eligible for both. To be eligible the person must:-

- Haven't previously owned a home in Australia that wasn't their main residence.
- Be aged between 18-65.
- Provide a tax file number.

You don't need to make personal contributions to your account every year, however to withdraw funds you must have made deposits totaling at least \$1000 in each of four financial years. There will be

an annual account balance cap of \$75000 for 08-09 and the cap will be indexed for inflation.

The whole amount in the account must be withdrawn to purchase or build the home, which the person must live in for at least six months.

The government contribution will be based on personal contributions into the account during the previous financial year. The government will contribute an amount equal to 17% of an individuals contributions up to a maximum of \$850 in 08-09.

Earnings on the accounts are taxed at 15% and the tax is paid by the account provider, therefore earnings are not included in your income tax return.

More information is available at www.firsthomesaver.gov.au



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Merry Christmas

We would like to take this opportunity to wish each and every one of you a safe and happy Christmas and New Year.

Over the holiday period our office will close on Friday the **19th of December** and reopen on Monday the **5th of January**.

