

# Do you know about the July 07 changes to superannuation?

The Federal Government has announced changes to Superannuation, including the removal of tax on benefits taken from super for those over aged 60, and the abolishment of Reasonable Benefits Limits. The changes, in conjunction with the current concessional tax treatment of superannuation assets, **will make superannuation an attractive vehicle in which to retain assets to minimise, and possibly avoid, paying tax.**

## The changes to contributions rules include:

### Employer Contributions:

- From 01/07/07 a cap of \$50 000 (indexed) will be introduced, per person per year (replacing the old age based limits).
- There will be a transitional gap of \$100 000 per annum for individuals over 50 years of age.

### Self Employed Contributions:

- From 01/07/07, there will be a 100% deductibility for superannuation contributions up to the \$50,000 cap mentioned above.
- As of 01/07/07 the self employed will have eligibility for the Government Co-Contribution scheme.

### Undeducted Contributions

- From 10/05/06 to 30/06/07, there will be an opportunity to have a total undeducted contribution of \$1 million dollars per person. Previously there was not limit to the undeducted contributions a person could make.
- After 01/07/07, there will be a cap introduced of \$150 000 per person per year. This cap is can be averaged over three years for those under 65 years old. Any amounts over this cap will be taxed at the top marginal rate (plus Medicare levy).

Previously there was a Reasonable Benefit Limit (RBL) that restricted the amount of monies that a person could take from their superannuation fund and be taxed at concessional rates. From 01/07/07, this limit has been abolished, meaning that there are no limitations on the amount of retirement benefits that can be withdrawn that will receive concessional tax treatment.



To withdraw funds from superannuation, members must still meet the conditions of release. These are

- Aged 55 and permanently retired;
- Aged 65;
- Permanently and totally disabled; or
- Death

The legislation no longer discriminates between lump sums and pensions. From the 1st July 2007, benefits paid from a taxed source paid either as a lump sum or pension will be **tax free** for people aged 60 years and over. If you are aged between 55 and 60 the superannuation benefits will have a taxed and exempt component. Keep in mind that **once the money is out of superannuation environment it is no longer concessionally taxed.**

### What does this mean for your superannuation interest?

If you are planning to deposit any large sums of money into your superannuation fund, **now is the time!** The transitional \$1 million limit is a once in a life time opportunity!

Within Investor Financial Planning we have a specialised Self Managed Superannuation team who understand these changes and welcome any queries that you may have. Please feel free to contact our team in the Dubbo Office on 6882 0355.

## Have you seen our website?

Log on to [www.whk.darcykenedy.com](http://www.whk.darcykenedy.com)

## New People

We continue to employ new staff as we grow and some people have left for new adventures. We endeavour to keep you up to date with the team that looks after your work. We have team brochures that detail our staff, so please feel free to call and we will mail one to you or alternatively visit our website.

### Some new additions include:

Accounting teams: Dubbo - Sarah Williams, Jennifer Mitchell, Sally Uren, Bianca Bailey.

Financial Planning Teams: Dubbo - Dusty Long, Stacey Schneider, Lisa Byrnes.

Vanguard Business Services: Dubbo - Airlie Kelly.

## Babies

We have also had numerous beautiful babies born this year. Congratulations to Alison and Bill Williamson on the birth of their baby boy Thomas Charles Williamson and Sophia and Brad Acheson on the arrival of their baby boy Harrison in our Dubbo Office.



# Are you seeking the services of an auditor?

## We offer more than just a tick or a cross.

WHK Darcy Kennedy Audit Services is a specialist provider of audit and assurance for school groups through to large registered clubs and credit unions.

We will assist you to identify and manage your business risks through:

- Taking the time to **understand** your organisation and its specific risk, issues, information needs and obligations.
- Providing **proactive advice** backed by relevant business experience and business expertise
- **Assisting** with managing change

Our experienced staff are able to offer an audit opinion on financial statements through to special purpose audit reports. Our quality assured independent process is flexible, efficient and risk based and our approach is customised to meet your specific business needs.

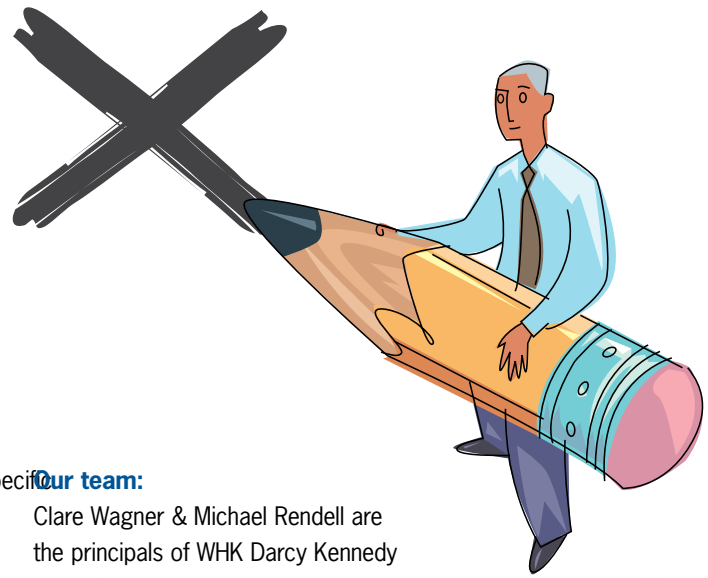
Our services include:

- Risk Assessment and Management
- Due diligence examinations
- Preparation of business evaluations
- Check control systems
- Business continuity/ disaster recovery planning

It is impossible to eliminate risk altogether as mistakes can be made. Risk assessment is designed to look at the **reliability of your systems and controls**. It also looks at other issues which can be external factors like weather, reliance on funding bodies and changes to legislation.

We will provide a report and deliver appropriate recommendations to directors, management and committees. We have internal access to WHK Group specialist auditors from WHK Greenwoods in Sydney for advice on complex and industry matters along with listed company audits.

**Identifying and managing business risks - that's what keeps you in business and help achieve greater success.**



## Our team:

Clare Wagner & Michael Rendell are the principals of WHK Darcy Kennedy Audit Services. Michael Rendell is based in our Bathurst Office. Michael is a Certified Practising Accountant (CPA) and is a Registered Company Auditor with over 25 years experience.

Clare Wagner is based in our Dubbo office. Clare is a Certified Practising Accountant (CPA) with over 15 years of experience in the accounting industry.



Melissa Sutcliffe is an Audit Manager for WHK Darcy Kennedy Audit Services who is based in our Bathurst office. Melissa has a Bachelor of Business (Accounting/ Business Mgt) and is currently completing her CA. Melissa has worked with WHK Darcy Kennedy Audit Services for 7 years, always being involved with the Audit division.

Please feel free to contact Michael, Clare or Melissa if you wish to discuss your audit needs.



**Advice with Local Knowledge and National Resources**

Liability limited by a scheme approved under Professional Standards Legislation.

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