

Snippets

Save our super

In the recent Federal Budget, the government reduced the concessional contributions amount Australians can pay into super. This change puts a 'cap' on annual contributions of \$25,000 for people under 50 and \$50,000 for people 50 and over. The higher cap for over 50s only applies until 2012.

With many Australians seeing their superannuation balances fall in the wake of the recent investment market downturn, some investment industry bodies have expressed their concern that the government's proposal would prevent older members from contributing more into super to make up for market movement.

Their suggestions include:

- removing employer superannuation guarantee (SG) contributions from the concessional contributions cap
- allowing members to carry forward any unused concessional contribution caps for the 10 years before they retire
- keeping the higher cap for members over 50.

It's hoped that the government will take note of industry concerns: any future changes to the super regime should aim to maintain confidence in the super system.

Australia: No. 1

Australia has been voted the number one place to be in the world during the current economic downturn.

An April 2009 survey was commissioned to understand the current mood, business morale and impact the economic downturn has had on businesses around the world. The Servcorp International Business Confidence Survey asked 7,500 international business people across 24 countries to identify the countries they believed were doing a good job of surviving the global financial crisis.

Australia came out tops. China was voted second for business confidence and India and Singapore were voted equal third.



Taxpayer beware

After handing out billions of dollars in recent stimulus packages, the government is looking for ways to recoup the money to help reduce the massive Budget deficit. Taxation is one sure way they can do this.

At the end of each financial year, the Australian Taxation Office (ATO) alerts taxpayers to the areas – and people – it will be paying close attention to when processing tax returns. This time around the ATO will be paying particular attention to the tax affairs of 'wealthy' Australians.

In the past, a net worth of \$30 million would qualify you as wealthy. This year, the ATO has reduced this amount to \$5 million, which means it will have its eye on a lot more people. The ATO will also be looking closely at company senior executives and directors; and (as usual) work-related expenses claims.

The global financial crisis has put some sharemarket investors under financial pressure. Many have had to sell their investments quickly (for example, to meet margin calls). The ATO will be keeping an eye on these investors too; it's expecting some to falsely claim sharemarket losses as trading losses, not capital losses. And in these uncertain times, some investors may be attracted to questionable investment schemes that will claim to minimise their overall sharemarket investment losses.

Making a false claim on your tax return is an offence at law. And it's important to remember that the ATO's data-matching capabilities help in detecting undeclared income and capital gains, so it's likely you'll be caught out if you do make any false claims on your tax return. If you have suffered investment losses, we suggest you seek professional tax advice. A tax professional can advise you about the circumstances in which your capital losses can be offset against any capital gains.