



FINANCIALLY  
SORTED

# MAY 2019

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**HELPING YOU GET FINANCIALLY SORTED –  
TO LIVE A FULFILLING AND ENGAGING LIFE –  
READY TO TAKE ON THE WORLD**

## LABOR CONFIRMS 1 JANUARY START DATE FOR NEGATIVE GEARING AND CGT PROPOSAL

Source - Accountants Daily (29.03.2019)

**With the Federal election tipped for May 2019, Labor has announced that it will implement its plan to restrict negative gearing to new investment properties and halve the capital gains tax discount from 1 January 2020.**



The date, announced by shadow treasurer Chris Bowen, will limit negative gearing to new housing, with all investments made prior to the date to be fully grandfathered.

Likewise, the CGT discount will be halved to 25 per cent for investments entered into after 1 January 2020.

The announcement will bring greater certainty to investors who were waiting on Labor to provide more details around its proposal.

The Parliamentary Budget Office has costed the two measures to raise \$2.9 billion over the forward estimates period to 2022-23, and \$35.1 billion over the next decade.

Mr Bowen has also announced that Labor will revamp the Build-to-Rent scheme, giving institutional investors a tax concession to encourage the building of new rental properties.

If elected, the opposition will cut the managed investment trust withholding rate in half, from 30 per cent to 15 per cent, on tax distributions attributable to investments in build-to-rent housing.

The argument by Labor is “the benefits of both negative gearing and the capital gains tax discount are skewed towards the wealthy”.

Just this week, the Institute of Public Accountants general manager of technical policy Tony Greco had called on accountants to advise their clients on the proposed changes ahead of the May federal election.

**Any questions around the proposed changes, feel free to contact Financially Sorted.**

## PROPOSED SUPERANNUATION GUARANTEE AMNESTY

Source (www.ato.gov.au)

**You should be aware that under the current law, if you've missed a payment or haven't paid an employees' super on time, you are required to lodge an SG charge statement.**

Until law giving effect to the proposed Superannuation Guarantee Amnesty is enacted, the ATO will continue to apply the existing law, including the application of the mandatory administration component (\$20 per employee per period) to SG charge statements lodged by employers.

The proposed Superannuation Guarantee Amnesty bill had not been enacted when Parliament concluded on 22 February 2019.

### New law required

If passed into law, the proposed amnesty will be a one-off opportunity for employers to self-correct past super guarantee (SG) non-compliance without penalty.

The legislation to give effect to the proposed amnesty was introduced into Parliament on 24 May 2018.

Subject to the passage of legislation the proposed amnesty is intended to be available for 12 months from 24 May 2018 to 23 May 2019.

If enacted, we will apply the new law retrospectively to voluntary disclosures made during this period. You will be entitled to the benefits of the amnesty for any SG shortfalls you've voluntarily disclosed - subject to the eligibility criteria.

## FINANCIAL PLANNING NOW IN-HOUSE

Financial Planner Dasith (Daz) Monnekulame can be contacted on the office number of (03) 9888 3175 or via email at [dasith@financiallysorted.com.au](mailto:dasith@financiallysorted.com.au) for a general chat or to make an appointment to discuss your financial planning and investment needs.

## REFERRALS ARE ALWAYS WELCOME...

**Any small business is as good as their customers & their clients - we at Financially Sorted are certainly no different!**

If you are happy with our dedication to high quality service, the greatest compliment you can pay us is by referring family, friends and other people whom you feel would benefit from the use of our services. By establishing a referral expectation up front, our clients have plenty of time to think of who they would like to introduce to our firm, helping us build a firm with quality clients such as yourselves.

**We thank you in anticipation of the above & thinking of us.**



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## HELPING YOU GET FINANCIALLY SORTED – TO LIVE A FULFILLING AND ENGAGING LIFE – READY TO TAKE ON THE WORLD

### Who will be eligible for the proposed Amnesty?

To be eligible for the proposed amnesty you will need to have:

- voluntarily disclosed amounts of SG shortfall or late payments that have not been previously disclosed for any period from 1 July 1992 up to 31 March 2018
- made the voluntary disclosure within the proposed 12-month amnesty period (between 24 May 2018 and 23 May 2019)
- not be subject to an audit of your SG for the relevant periods.



### What if my SG is audited?

You won't be eligible for the benefits of the proposed amnesty for any periods that are currently subject to an audit of your SG.

An audit of your SG can be initiated at any time by the ATO. The ATO may also audit your SG in response to employees who advise they haven't received their SG.

### How can I access the proposed amnesty?

If you've missed a payment or haven't paid an employee's super on time, you should lodge an SG charge statement and pay the amount owing to us.

We will apply the current law to this statement however, if legislation is enacted, we will apply the benefits of the proposed amnesty retrospectively.

### When do I need to pay the amount owed?

Payment is essential for you to be eligible for the benefits of the proposed amnesty.

### WHAT LEGACY WILL YOU LEAVE?

**Unfortunately, when there is a death of someone close to you, family or friend, or maybe a family member is diagnosed with a serious illness, we tend to find the time to do what we need to do in these situations; we do what's required to be done.**

Is this sustainable or do we go back to bad habits?

When such a situation arises, it got me thinking of what the legacy that will remain? What is the legacy that he or she has left?

I therefore raise the question, what is the legacy or the things that you are working upon today that will remain once you're gone?

If we look at someone like Steve Jobs, he left an amazing legacy – to me he was an absolute genius. He changed the way people communicate with each other via the iPhone, the way people listen to music via iTunes, the way we use personal computers via the invention of both the iPad and the iMac and the way children's movies are made through Pixar productions. His legacy will remain for a long time and will not be forgotten.

#### What will your legacy be?

Maybe it is as a leader – to teach your children how to become successful in their chosen field or how to become financially secure?

Maybe it will be your generosity – to create a charity or help some people out that are a lot less fortunate than you are?

Maybe it is motivation or the ability to succeed – maybe run that marathon to show that with the power of the mind, anything is possible; to be the best that you could possibly be?

There is no right or wrong legacy; and no legacy is too small or too large!

What is important to you?

What or how do you want to be remembered?

**I would love my legacy to be one of success, honesty, and to give your best at everything you do. I always strive to surround myself with people that I trust and are better than me in what they do – something that I constantly use in business today. I would love to pass these attributes onto my children one day!**

### FOR YOUR CALENDAR...

- 15 May** Lodge 2018 tax returns for all entities that did not have to lodge earlier  
Due date for companies and super funds to pay if required.
- 21 May** Lodge and pay April 2019 monthly business activity statement.  
Final date to add new FBT clients to your client list  
Lodge and pay Fringe benefits tax annual return if lodging by paper.
- 26 May** Lodge and pay eligible quarter 3, 2018–19 activity statements if you lodge electronically.
- 28 May** Pay Fringe benefits tax annual return if lodging electronically.  
Lodge and pay quarter 3, 2018–19 Superannuation guarantee charge statement



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