

Talking Concepts

Edition 61

June 2019

Protecting your Super

New laws come into effect on 1 July 2019. These laws include several measures designed to ensure that superannuation account balances are not being unnecessarily eroded by fees and insurance premiums. This particularly applies to accounts that have a low balance or have been inactive for a certain period.

One of these measures relates to automatic cancellation of insurance cover for inactive super accounts.

These rules prevent superannuation funds from providing insurance cover to you if your super account is inactive, unless you specifically elect to keep your cover. Under the new rules, an account will be considered 'inactive' if it has received no contributions or rollovers for 16 consecutive months.

Our financial planning team are reviewing and getting in touch with all of our financial planning clients. If you have any insurance (life, TPD, salary continuance) which is attached to your superannuation, AND you do not make regular contributions, then you should get in touch with your super fund to ensure that you are properly insured.

If you require assistance with this or consolidating your super funds please get in touch with our financial planning team at fp@cr.com.au or phone Kelly on 9569 5676.

Protecting your Information

More and more spam emails are being received and you need to make sure that you never open an email or click on a link within an email unless you are 100% sure of its contents.

If you ever receive an email from Concepts & Results or one of our team members and you are unsure of the contents, PLEASE call our office first to confirm its authenticity before opening.

Get Organised

Get Focused

Tax Planning

If you feel you need to minimise your tax liability and haven't already discussed strategies with Phillip Scandizzo or one of our advisors, then time is running out. Call and make an appointment today. If you have already discussed tax planning, please ensure that you action any items required before 30 June

It's nearly tax time!

If you haven't already started getting all your paperwork together, it may be time to start thinking about it.

Go to our webpage for handy checklists for individuals, trusts, companies, rental properties, etc and Fact Sheets of deductions for specific occupations

<https://www.cr.com.au/get-results/tax-checklists/>

Once you have everything ready, phone our office for an appointment, or post or email your paperwork to the office. Individual returns can be done on the spot by appointment with Jara or Rocky.



**Celebrate.
Remember.
Fight Back.**

Concepts & Results have again registered to participate in the Cardinia Relay for Life. In February 2020 our team will walk in a relay, keeping at least one member of the team on the track for 18 hours.

We have set ourselves a target of raising \$10,000 for cancer council this Relay and are already on our way. There are many ways you can support our team.

Donate (tax deductible) to the team. Search Cardinia Relay for Life – Team name Concepts & Results.

Support our fundraising:

Gold Class Movie Days – call or email Beth bcampbell@cr.com.au for details of our next event

Recipe Books \$10 – call or email Sue scampbell@cr.com.au to order your copy.

Raffle – Great prizes to be announced soon

Family finances – the tick of approval

Keep your household finances in the positive and reap the rewards.

Source: InterPrac Financial Planning Newsletter

As the prices of petrol, groceries, school fees, electricity and water all creep upward, families are under increasing pressure just to make ends meet.

So how can families cover the cost of everyday living and still manage to put some savings aside? One way they can get ahead is by treating their family finances like a business with assets, liabilities and cash flow as key indicators of financial health. Budgeting is a crucial component of financial health.

Many people have had a half-hearted attempt at budgeting or have started out with good intentions but then have given up. If this sounds like you, you're certainly not alone. The fact is most Australians do not demonstrate sound behaviour with money. Australia has one of the highest rates of credit card debt in the world. Too many of us are borrowing to live day-to-day. It takes determination and commitment to maintain a budget and avoid the consumer trap. The purchase of a new flat screen TV, a new lounge, a new car or another pair of shoes may seem essential but people who are financially successful don't buy things until they can prove to themselves they can afford it. Their philosophy is "don't spend more than you earn". Variations in income and/or expenses are inevitable but they are often enough to dissuade people from having a serious go at budgeting effectively. It can all seem too hard.

So what steps can you take to maintain a budget that's workable:

- Knowing what your family earns in a given month should dictate what discretionary income can be spent in the subsequent month. Ideally expenditure should lag earnings.
- Start saving - no matter how small the amount, having a regular savings program or having money automatically deducted from your account can make a real difference. Just saving \$35 a week (\$5 per day) will grow to more than \$5,700 after 3 years (assuming an interest rate of around 3%). If you could save \$100 a week, you would have more than \$16,000 after 3 years.
- Have achievable goals - Think of something you'd really like to change in your life and work as a team with your family to make it happen. It may be a weekend away, a holiday or a new piece of furniture but help the goal come to life by making it something specific. You may even decide to reward yourselves when you achieve particular milestones. It might be a dinner out when you reach a particular target. Just don't be tempted to reward yourselves before you've done the hard work!
- Schedule a regular household meeting. Successful businesses have regular team meetings to track their progress. This is no less important in the home. Have a regular conversation (ideally weekly) with your husband/wife/ partners and children to look at what money has come in and what money has gone out so far for the month. You could call it something like your 'money in, money out meeting'.

There are some things in life that we have little control over so it's liberating to make a conscious decision to change the things you can for the better. Today could be the beginning of a new financial life for you and your family! Or if you want to rely on luck - buy a Tattsлото ticket.

We think the best strategy is to take control. We'd give that the tick of approval!



Dates to Remember

30 Jun	End of Financial Year
30 Jun	Superannuation Guarantee contributions for June quarter must be paid if you want to claim a tax deduction for the 2019 year
1 Jul	Financial Planning Annual Service Agreement Packages renewal
1 Jul	Single Touch Payroll
15 Jul	Issue PAYG payment summaries to employees
22 Jul	Payroll Tax Annual Adjustment Return Statement due
14 Aug	Lodge PAYG Summary Payments Statements with ATO
28 Aug	Building & Construction Industry Taxable Payment Annual Report due
28 Aug	Superannuation Guarantee contributions for June quarter final date for payment
1 Sep	Audit Insurance Policy Renewal

Financial Service Package

Our financial planning team have sent out the renewal packages for our Black, Blue and White Belt Financial Service Packages.

Reminder that if you want to take up the Early Bird Discount offer you need to return your signed Authority to Proceed and pay your Interpac invoice before 21 June 2019.

If you did not receive a renewal package and you think you should have, please call Beth or Kelly on 9569 5676

Investing and avoiding the 'pack mentality'

Source: Interprac Financial Planning

Investment in the Share market. Consider the following..

- Before you buy in to a 'hot' opportunity, ask yourself whether confirmation bias could be making it more attractive. Just because similar investments have done very well, doesn't mean this one will. See, for example, the wildly popular IPOs for certain tech stocks.
- Before you sell just to 'get out quick', consider the alternatives. Is this stock likely to recover? If so, how long will it take? What is the opportunity cost of sticking in there for the long(er) term?
- Consider contrarian opinions. Alternatively, be your own devil's advocate. Don't make a major decision without giving yourself time to gather and consider a well-rounded set of data interpretations.
- Before deciding what to do with an individual stock, take a holistic view of your portfolio. How will buying (or selling) this one stock affect the rest of your portfolio? Is it, in context, a good fit for your needs?
- Look at long term data to get a better idea of whether a share price dip is the beginning of the end, or just a temporary correction.
- Overcome your fear of doing something different investment-wise by tapping in to our expertise. If you don't know the first thing about technical analysis, we're happy to help. Contact our financial planning team and we'll get you started.

**Make More Money
Pay Less Tax
Build More Wealth**

Single Touch Payroll

Single Touch Payroll (STP) is a new way of reporting tax and super information to the ATO. Here is a brief summary of the key points of what is required to be ready for STP:

1. Determine how you will report through STP

- Check your current accounting/payroll software to determine if the software is up to date and compliant with STP. (The software provider website will detail if the software is STP compliant)
- Update your current accounting/payroll software to a version that is compliant with STP.
- If you are a micro employer (4 or less employees) you can choose a low-cost payroll software solution. A list of low-cost payroll software providers is at the following link:

<https://www.ato.gov.au/business/single-touch-payroll/in-detail/low-cost-single-touch-payroll-solutions/>

- We recommend Xero payroll software which can be found at the following link:
<https://www.xero.com/au/stp/1-4/>

2. Review employee records

- Ensure for each employee you have the following information:
 - Full name
 - Address
 - Date of Birth
 - Name of Nominated Superannuation Fund
 - Member Number of Nominated Superannuation Fund
- Check you are paying your employees correctly
- Check you are calculating superannuation entitlements correctly

3. Determine if you will need more time to comply with STP

If you will not be ready to report payroll on STP by 1 July 2019 then you can apply for a deferral by using the ATO online tool which will be available at the end of April 2019. Alternatively you can contact our office and we can apply for a deferral on your behalf.

4. Determine who will be handling your payroll

If you decide to contract our services to manage your payroll please contact the office for further information

5. Connect your payroll software with the ATO

- The payroll software will have a STP setup screen which will display the software service ID (SSID).
- Contact the ATO on 1300 85 22 32 and provide the SSID to enable the ATO to connect with the payroll software

6. Start STP reporting and check your data was sent correctly

- Check after each pay cycle that the payroll reports have successfully been sent to the ATO
Payroll software will have indicators that will mark the pay report as filed
- If there is an error in a payroll report lodged with the ATO, the following link provides details on how to correct the different types of pay errors:

https://www.ato.gov.au/Business/Single-Touch-Payroll/In-detail/Single-Touch-Payroll-employer-reporting-guidelines/?page=6#Correcting_a_pay_event_report

If you would like Concepts & Results to provide an estimate of our fees to manage your payroll, please contact our office and speak to one of our advisers.

Team Update



In November, Matthew & Helen Cvek welcomed their second daughter Clara



In January, Nadia & Rylie Davidson welcomed their first daughter Claire

New Team Members

Lisa Beswick has joined our team as a senior bookkeeper. Lisa will be overseeing new bookkeeping clients coming on board as well as supporting our bookkeeping team. Arianne Arevalo has also joined our bookkeeping team. We welcome both of these new additions to the Concepts & Results Group.



At Results Home Loans we put your interests first in our dealings with you. We will ensure we recommend a loan which is appropriate (size and structure), is affordable, applied for in a compliant manner and meets your set of objectives at the time of seeking the loan. Call Mikaela or Nadia on 9569 5676 for all of your loans needs

Gotta be over 30 to understand.....

We all played sport, and also did PE... and risked permanent injury with a pair of Dunlop runners (only worn in the gym or the sports ground) instead of having cross-training athletic shoes with air cushion soles and built-in light reflectors.

At school, we all said prayers and sang the National Anthem and got free school milk for strong bones and teeth.

The school nurses wore a hat and she could even give you an aspirin for a headache or fever.

Politicians catered to the wishes and concerns of the majority, not the minority (hence the term "democracy").

The vexed question of execution

Source: ACIS

The ACIS Legal Services team is seeing a significant increase in documents that are incorrectly executed, leading to unnecessary costs, delays and inconvenience for end clients. We recently conducted a review of trust deeds held by a large regional firm and found issues in at least 25% of them requiring some remedial action.

Signing legal documents can be technical and difficult to comprehend, so it's no surprise that mistakes are made. ACIS have provided some guidance below on the issues they've come across; however, be warned, this is not an exhaustive summary of all potential defects.

Why is execution important?

For any document to be legally binding and enforceable, it must be signed by each of the parties to it. While that may sound self-evident, it's not just a case of putting a signature on the correct page. It's critical that documents are executed correctly to ensure they take effect as intended.

How does this apply to deeds?

At ACIS their primary concern is with deeds as they are used most commonly to establish trusts, including super funds. For a document to be a deed it must:

1. be in writing and on paper;
2. signed by the parties to it; and
3. sealed and delivered.

Failing to complete each of these steps can lead to a document not taking effect as a deed, and consequently not achieving its desired outcome. While the first two points don't need an explanation, it's worth detailing what is meant by "sealed and delivered":

- Sealing historically has meant applying a wax seal or rubber stamp to the deed. While a physical seal is no longer required in Australia, most jurisdictions require deeds to be sealed using words like "executed as a deed" or "signed sealed and delivered".
- Delivery does not require the actual delivery of the document to another person, but instead requires an indication that the person signing the deed intends to be bound by it. This is usually achieved by using words like "signed, sealed and delivered".

The one time these rules don't apply is where a company executes a deed - the Corporations Act 2001 states that a company is taken to have executed a deed where it is signed by two directors, a director and a secretary or a sole director who is also the sole secretary.

In most States and Territories, the proper execution of deeds also requires that an independent witness attests the signing by each signatory. Again, this does not apply to companies.

Some of the issues ACIS see

Numerous instances of defective execution of deeds where:

1. The deed isn't executed by all parties.
2. It's signed without a witness.
3. Parties to the deed witness each other's signatures.
4. Any party to a deed acting in multiple capacities hasn't executed the deed in each of those capacities.
5. A company is a party to a deed but has:
 - not executed the deed in accordance with its constitution or the Corporations Act. It is worth noting that while a company's constitution may stipulate documents executed by a sole director alone are valid, third parties (usually banks) will still enforce strict compliance with section 127 of the Corporations Act. It is for this reason that we always encourage clients setting up a sole director company to appoint the director as the secretary also.
 - not had persons sign the deed who are actually directors of the company at the relevant time.
 - not had at least two officers sign the deed when there is more than one.

Money Lessons for Kids

Teach your children:

- How to seek out value for money to avoid impulse buying
- That an item "on sale" is not a bargain if they don't need it
- How to keep track of mobile phone usage costs
- To value the concept of earning before spending by giving them pocket money
- If a deal sounds too good to be true, it could be a scam
- The difference between credit and debit accounts
- To identify their spending "needs" as opposed to their "wants"
- By modelling good spending and saving behaviour



My Gov account

Do you have a McGov account? Did you know that your Income Tax Notice of Assessments is available and can be accessed via this account?

<https://my.gov.au/>

Your myGov account gives you:

- Secure access to a range of government services using one username and password
- A single inbox for your messages from Centrelink, Medicare, Child Support and the Australian Taxation Office.
- A quick and easy way to advise selected member services about changes to some of your personal details.



Stop Wasting Time & Money
Get Your Books Done...
...Fast, Accurately & Efficiently
Automate Your Bookkeeping Processes!
Call 1300 880 863 for a quote

Tax Man Travels

Are you going away soon? Next time you're in the office, ask for a Tax Man and take him on an adventure! Send your photos to concepts@cr.com.au for a chance to win a prize.



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If you have any questions or comments regarding any items in this newsletter simply email Sue at scampbell@cr.com.au

NEXT ISSUE DUE OUT
1ST SEPTEMBER 2019