

Lao Pollock & Co

Certified Practising Accountants
Registered Tax Agents



LAO POLLOCK & CO

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OUR SERVICES:
Specialist Taxation Advice
and Compliance

Accounting
Administration
Information Management

Lao Pollock & Co is a CPA
Practice.

Registered Tax Agent

Our firm specialises in the provision of quality taxation compliance and advice services to individuals and small business. Most of our clients engage our firm in compliance work (preparation of tax returns), and we also take instruction from clients and professionals (eg. solicitors, trustees and executors) in providing opinion relating to more complex tax matters.

We also engage in accounting and administration services for clients.

TAX MATTERS NEWSLETTER

Thank you for taking the time to read our Tax Practice Newsletter.

Please feel free to hand our Newsletter to a friend, relative or associate.

"HOT TOPIC" -

Changes to Commonwealth Seniors Health Card!

Recent media coverage and Centrelink correspondence has alerted existing holders of the Commonwealth Seniors Health Card (CSHC) of **changes taking effect from 1 January 2015.**

The CHSC, is issued to eligible persons who have reached age pension age, but do not qualify for age pension.

The CHSC is Income Tested (based on "adjusted taxable income" or ATI, and this can normally be confirmed once a self funded retiree lodges their tax return each year. The current annual income test (cut off threshold) is \$51,500 for a single person and \$82,400 for a married couple.

An income stream pension payment (tax free pension, such as an allocated pension), retains both its tax free status for persons over age 60, and income is not counted when calculating the ATI for the purpose of CHSC, if the pension was in place as at 1 January 2015, for existing CSHC holders.

For new CHSC issued or new income stream pensions commencing after 1/1/2015, pension payments are still tax free, but income will be deemed for the purpose of the eligibility for CHSC.

For clarification on this issue,

please contact us.

DID YOU KNOW?

Previous editions of this Newsletter have dealt with capital gains tax and what if you inherit assets such as direct shares. That is, a deceased's Will has made a provision for a beneficiary to inherit shares held at the time of death, rather than have the estate sell the shares.

In today's globalised world, it is worth noting the capital gains tax consequence of a beneficiary inheriting the shares, if they are living overseas ie. a "foreign tax resident".

As previously noted if you inherit shares from a deceased estate, capital gains tax consequences may apply in the future and not necessarily at the time you acquire the asset. For example, shares purchased by the deceased **after 19/09/85** and inherited by the beneficiary, the **original cost** at the time of purchase or acquisition by the deceased is used as the cost base for the beneficiary. A capital gains tax event occurs when the beneficiary decides to sell the shares ie. tax may be payable.

DID YOU KNOW, if the beneficiary is a "foreign resident", the shares are deemed to have been sold at the date of death of the deceased, accounted for in the final tax return and not the estate tax return, not withstanding the shares are still transferred to the beneficiary.

Please contact us for clarification.

PRACTICE MATTERS

CLIENT REFERRALS

Please do not hesitate in mentioning either Catherine or Carl to your friends if they are seeking assistance with a tax matter.

OUR WEBSITE HAS BEEN UPDATED !

Please visit our website for more information.

CONTACT

Please call Catherine Pollock or Carl Lao on 9633 9220 for assistance with your tax matter.

Disclaimer

Liability limited by a scheme approved under Professional Standards Legislation.
The content of this newsletter is general tax advice only and not specific personal advice.