

Salary Packaging Newsletter

March 2005

HM
Henderson Matusch
STRATEGIC WEALTH SOLUTIONS

WILL YOU RECEIVE A HECS STATEMENT JUNE 2005?

We have brought this item to your attention in our last two Newsletters, but felt we had to mention it again because of its importance and relevance to so many of our clients. The amounts the ATO require you to pay each year in repayment to your HECS debt have drastically increased since 1 July 2004, and because of this change, some people could face a tax bill from the ATO of approximately \$3,000 come 30 June 2005. If you are unsure what your payment needs to be, please contact us.

PKF NO LONGER

You may have noticed by now that PKF is no longer known as PKF. The organisation that administers your salary packaging is now Remuneration Services (abbreviated as **Remserv**). Aside from the name, nothing has really changed. Remserv do however have a new **Payment / Reimbursement Claim Form**. If you regularly send in bills to Remserv please use the new form which is available to download from their website www.remserv.com.au.

END OF THE FRINGE BENEFITS TAX YEAR

Salary packaging is based on the fringe benefits tax year (FBT). The FBT year runs from 1 April until 31 March. All employees who are packaging their bills and have excess funds in their trust account should send in the required verification to Remserv as early as possible,

or face the possibility of losing the tax benefit. If you have surplus funds in your trust account, there are options:

1. You can send an invoice and receipt to Remserv for any item that you are eligible to salary package and Remserv will reimburse that amount into a designated bank account you select (as long as you have not exceeded your grossed up limit of \$17,000). If the grossed up limit of \$17,000 has been reached and there are excess funds, these funds can be utilised to purchase a laptop or an electronic diary, as an example.

2. You can have the surplus funds paid into your superannuation. This will incur contributions tax of 15%.

3. You can save the money paid back through payroll it will then be taxed at your normal marginal tax rate and paid to you.

4. If you have surplus funds and take no action, Remserv will automatically role the excess funds over to next year's total, remember you can only access a maximum grossed up limit of \$17,000 per year. If not monitored this action may result in a build up of funds that over a couple of years of salary packaging can result in becoming a substantial sum.

If you have any questions on this subject please contact us, one of our qualified financial advisers will be more than happy to expand on this topic for you.

ANNUALISED SALARY PACKAGING EMPLOYEES

The end of the FBT year is a very busy

time for us at Henderson Matusch with an average of 10 to 15 salary packaging amendments coming in each day on top of the high number of new clients we are seeing. We are also in the process of contacting many people to bring their fortnightly deductions back to an annualised basis so that they do not exceed the grossed up limit of \$17,000 moving into the next FBT year over 26 fortnights. If you think you have been missed off our list, please contact us so that we can make these required changes for you.

26 OR 27 PAYS?

There has been a lot of discussion over whether the next fringe benefits tax year will include 26 or 27 pays. Whether this will affect you depends solely on when Remserv reimburse funds to your bank account or when they make direct payments to your designated items. If this occurs on the Friday after payday, then you may be affected. If this occurs on the Monday or the Tuesday of the following week then this should not be a problem until the following year. If you call our office to enquire about this, please have a recent Remserv statement ready.

CHANGING JOBS OR MOVING?

If you are changing jobs or moving house, please notify us so that we can keep your records up to date. Also, a reminder that if you are looking at changing hospitals or leaving your current employer, there may be some forms that you are required to complete through Remserv. If you are unsure, please contact us.

Henderson Matusch Pty Ltd, ABN 32 107 343 091, AFSL 274484

Level 8, 160 Edward Street
(PO Box 314)
Brisbane QLD 4000

Telephone: 07 3229 3688
brisbane@hendersonmatusch.com.au

Suite 2, 115 Nerang Street
Southport QLD 4215

Telephone: 07 5527 1688
southport@hendersonmatusch.com.au

Level 1, 72 Marine Parade
(PO Box 135)
Coolangatta QLD 4225

Telephone: 07 5536 7000
coolangatta@hendersonmatusch.com.au