

KILARA GROUP  
COMPLETE FINANCIAL SOLUTIONS

144-146 Sanger Street  
PO Box 115  
Corowa NSW 2646

Phone: 02 6033 1133  
Fax: 02 6033 3604  
Email: [kg@kilara.com.au](mailto:kg@kilara.com.au)  
[www.kilara.com.au](http://www.kilara.com.au)

KILARA  
PARTNERS  
CERTIFIED PRACTISING ACCOUNTANTS

ABN 88 280 614 412

Partners  
Malcolm I McLean CPA  
Andrew R Holmes CPA  
Neil W Mackay CFP



Liability limited by a Scheme approved under  
Professionals Standards Legislation.

KILARA FINANCIAL  
SOLUTIONS  
FINANCIAL PLANNERS

Phone: 02 6035 2150

Kilara Financial Solutions Pty Ltd  
ABN 41 003 636 897  
AFSL No 244530

Financial Advisors  
Malcolm G Lake  
Malcolm I McLean  
Neil W Mackay

KILARA SUPER  
SOLUTIONS  
CONSULTANTS & ADMINISTRATORS

PC Information Systems Pty Ltd  
ACN 002 468 528

As Trustee For  
Dowmac Services Trust No 2  
ABN 69 641 061 691  
Trading As  
Kilara Super Solutions

Superannuation Specialists  
Malcolm I McLean CPA,SSA  
SMSF Specialist Advisor™



Andrew R Holmes CPA,SSA  
SMSF Specialist Advisor™



# In the Loop

SEPTEMBER 2014

## KilaraCloud is coming...

As part of Kilara Group's initiative to deal electronically with our client base, we will be introducing our revamped website, complete with secure login for client access!

KilaraCloud will allow you to:



Access income tax returns and financial accounts 24/7



Securely transfer files



View ATO correspondence



Access secure third party applications

**Please register your interest on the attached form at the back of the newsletter**

### Reminders...

- **Superannuation Guarantee Contributions** for the period 1 July to 30 September 2014 must be with the employee's superannuation fund by **28 October 2014. REMEMBER that the rate is now 9.5%**

### **An important message**

While every effort has been made to provide valuable, useful information in this publication, this firm and any related suppliers or associated companies accept no responsibility or any form of liability from reliance upon or use of its contents. Any suggestions should be considered carefully within your own particular circumstances, as they are intended as general information only.

---

## In this issue:

- News from our office
- Money Money Money
- Unclaimed Super
- Hume Bank Elections
- EFT payment of Kilara Group accounts
- Death & Taxes
- Income Tax Rates
- Fuel Tax Credits
- Study Assist – Nursing & Education
- Commonwealth Seniors Health Card
- Private Health Insurance Rebate
- Net Medical Expenses Tax Offset Phase Out
- Taxation of Super Death Benefits
- Client Profile – Rosemary Creed
- Recipe – Footy Finals Mini Meat Pies

---

## News from our office



Congratulations to Mareeta, Adam and Callan on the safe arrival of Lainey Jayde born on the 7<sup>th</sup> July. Callan absolutely loves his baby sister!

Congratulations to Rhonda on the safe arrival of her 1<sup>st</sup> grandson Levi. Levi arrived into the world on the 16<sup>th</sup> July and we can confirm that she is one very smitten and proud Nan!



Happy birthday to Beverly who celebrated her 50<sup>th</sup> birthday in August!

On the 1<sup>st</sup> August Kilara Group left the work uniform at home and put on the jeans to support Jeans for Genes Day.



Happy birthday to Kylie Heagney who is celebrating her 40<sup>th</sup> birthday in September!

Sadly for us, Justine McCormack will be finishing with us on the 19<sup>th</sup> September 2014 in order to spend more quality time with her family. We wish her all the best.

## JP Service

Do you require the assistance of a Justice of the Peace ("JP") to witness your signature? Why not call into the office and have Andrew, Beverly, Malcolm or Neil assist you.



---

## Money Money Money

Now that the mining tax has been abolished the Schoolkids Bonus is staying for another couple of years. If you think you're eligible, but have not yet received your Schoolkids Bonus, give us a call!

---

## Unclaimed Super

According to the ATO, more than \$14bn in lost super is waiting to be claimed. The ATO said \$8bn in super was sitting in accounts that have not received a contribution in 5 years. A further \$6bn in super was sitting in accounts where funds have not been kept up-to-date with changes to personal details. ATO Assistant Commissioner John Shepherd said it was "easy for this to happen because when people get married or move house, the last thing on their mind is updating their name and address details with a super fund". However, he said it was important to provide funds with TFNs which can help individuals be reunited with their super.

More than 40% of super account holders have more than one account and many of these additional accounts have not received a contribution for quite some time, said Mr Shepherd. The ATO was also seeing many people failing to take advantage of their ability to choose a fund when they start a new job.

---

## Hume Bank Elections

Julie Guest, our SMSF Auditor, has 17 years' experience as a director of a mutual banking organisation.

She is standing for election in October at Hume Bank & would appreciate your vote.

---

*The material and contents provided in this publication are informative in nature only. It is not intended to be advice and you should not act specifically on the basis of this information alone. If expert assistance is required, professional advice should be obtained.*

## EFT payment of Kilara Group accounts

When making payments by EFT please remember to use your client code and/or name in the Reference area of the online banking transaction, or we may not know who the payment is from.

Your individual client code is located in two areas on our invoices:

1. Underneath the invoice number on the right side of the invoice; and
2. in the remittance advice area at the bottom of the invoice.

Please ring reception if you need assistance with setting these types of payments.

If you would like to pay your account via electronic funds transfer, our bank details are as follows:

### Kilara Partners – Invoices dated pre 30 June 2014

**Account Name:** Kilara Partners  
**BSB:** 032-736  
**Account Number:** 231051  
**Reference to use:** YOUR Client Code and/or name

### Kilara Partners – Invoice dated post 1 July 2014

**Account Name:** Kilara Partners  
**BSB:** 032-736  
**Account Number:** 336943  
**Reference to use:** YOUR Client Code and/or name

### Kilara Financial Solutions

**Account Name:** Kilara Financial Solutions  
**BSB:** 032-736  
**Account Number:** 153540  
**Reference to use:** YOUR Client Code and/or name

**We cannot stress too much how important the “Reference” area is when making payments via EFT.**

## We have introduced new methods to pay your Kilara invoices

### Kilara Group Website - PayWay Net



#### Kilara Partners

You can pay Kilara Partner's invoices by logging on to our website [www.kilara.com.au](http://www.kilara.com.au) and choosing the option “Account Payments”. We utilise the secure Westpac Bank PayWay Net service to capture your payment details.

As payments by this method are by credit card only, please note there is a 1.5% surcharge on all payments.

#### Kilara Financial Solutions

Our new website is currently under construction, so we are unable to accept payments via our website at this time. We will let you know when this option is up and running.



### PayWay Phone



#### Kilara Partners

To pay a Kilara Partners invoice using PayWay Phone, simply dial **1300 885 175** and enter our **PayWay Biller Code 199422**. You will be asked to enter your Client Code that can be located on the top right of your invoice and the amount you would like to pay.

As payments by this method are by credit card only, please note there is a 1.5% surcharge on all payments.

#### Kilara Financial Solutions

To pay a Kilara Financial Solutions invoice using PayWay Phone, simply dial **1300 885 175** and enter our **PayWay Biller Code 199455**. You will be asked to enter your Client Code that can be located on the right of your invoice and the amount you would like to pay.

As payments by this method are by credit card only, please note there is a 1.5% surcharge on all payments.

*The material and contents provided in this publication are informative in nature only. It is not intended to be advice and you should not act specifically on the basis of this information alone. If expert assistance is required, professional advice should be obtained.*

## Death & Taxes

Do you have more than \$50,000 in superannuation? Yes/No

Are you older than 55? Yes/No

Is there a possibility that your superannuation will outlive you? Yes/No

Are you planning (or is it possible) that your superannuation will be left as a lump sum to adult children if you pass away? Yes/No

If you answered yes to all four questions above do you realise that your estate or beneficiaries could be liable for 15% tax on your balance?

Come and talk to the Superannuation experts at Kilara Group to discuss your options.

## Income Tax Rates

The tax rates applicable for the 2014/2015 year and future years are set out in the tables below.

### New income taxes for the 2014/2015 year

In the May 2014 Federal Budget, the government announced a temporary levy amounting to an extra 2% of income tax for those earning more than \$180,000, to apply from 1 July 2014. At the time of writing, this levy was not yet law.

The former ALP government increased the Medicare levy by 0.5% to fund the National Disability Insurance Scheme (for information see SuperGuide article Medicare Levy increase helps pay for NDIS). From 1 July 2014, the Medicare levy increases to 2%, which had previously been 1.5%. Lower-income earners may not pay the levy, or pay a reduced amount, while some higher-income earners may pay as much as 3.5% of their taxable income towards the Medicare levy.

Note: The primary source for taxpayers on any information relating to tax rates is the Australian Taxation Office website ([www.ato.gov.au](http://www.ato.gov.au)). SuperGuide doesn't answer questions specifically on the income tax rates.

### Income tax rates for 2014/2015 year

The tax-free threshold is the first \$18,200 of your income. You can earn up to \$20,542 before any income tax is payable, when taking into account the Low Income Tax Offset (LITO).

For the 2014/2015 year, your top marginal rate of income tax rate can be 0%, 19%, 32.5%, 37% or 45% (plus Medicare levy), although the top marginal tax is expected to be 47% plus Medicare levy

effective from July 2014, once the temporary deficit levy becomes law.

### Income tax rates for 2014/2015 year (and future years)

Income	Marginal Tax Rate	Tax Payable
\$0 - \$18,200	0%	Nil
\$18,201 - \$37,000	19%	19 cents for each \$1 over \$18,200
\$37,001 - \$80,000	32.5%	\$3,752 plus 32.5 cents for each dollar over \$37,000
\$80,001 - \$180,000	37%	\$17,547 plus 37 cents for each dollar over \$80,000
\$180,000 and above	47%*	\$54,547 plus 47* cents for each dollar over \$180,000

Source: Adapted from information on the ATO website ([www.ato.gov.au](http://www.ato.gov.au)). Note that Medicare Levy of 2% is also payable by most taxpayers.

\*From 1 July 2014, a debt levy of 2% will be imposed on taxpayers with a taxable income greater than \$180,000, and it will be imposed only on income that exceeds \$180,000, taking the top marginal tax rate to 47% (plus Medicare levy). Note that the debt levy, officially known as the Temporary Budget Repair Levy, is not yet law.

## Fuel Tax Credits

From 1 July 2014 the carbon charge has now been removed from the fuel tax credit rates for fuel acquired from 1 July 2014.

For fuel you acquire for your business, you can:

- Claim more for many off-road activities.
- No longer claim fuel tax credits for non-transport gaseous fuels used in agriculture, fishing and forestry activities.



You can now also claim more for transport gaseous fuels.

The Australian Government is proposing to index excise duty rates for most fuels every six months.

If this change becomes law, fuel tax credit rates will change again. Check back here regularly for the latest information.

The material and contents provided in this publication are informative in nature only. It is not intended to be advice and you should not act specifically on the basis of this information alone. If expert assistance is required, professional advice should be obtained.

**Fuel Tax Credit Rates – all rates are cents per litre unless otherwise stated:**

Business Use	Eligible fuel	Rate for fuel acquired 1/7/14
In a <a href="#">heavy vehicle*</a> for travelling on public roads	Liquid fuels – for example, diesel or petrol	12.003**
<a href="#">All other business uses</a> – on private roads, off public roads and non-fuel uses***	Liquid fuels – for example, diesel or petrol	38.143
	Duty paid LPG – transport	10
	Duty paid LNG or CNG – transport	20.9 cents/kg
Non-fuel uses, such as LPG used as a propellant in the manufacture of aerosols	Duty paid LPG – transport	10
	Duty paid LNG or CNG – transport	20.9 cents/kg
To power auxiliary equipment of a <a href="#">heavy vehicle*</a> travelling on public roads – such as fuel used to power a refrigeration unit or a concrete mixing barrel	Duty paid LPG – transport	10
	Duty paid LNG or CNG – transport	20.9 cents/kg

\* A heavy vehicle is a vehicle with a gross vehicle mass (GVM) greater than 4.5 tonnes. Diesel vehicles acquired before 1 July 2006 can equal 4.5 tonnes.

\*\* This rate accounts for the road user charge (which is subject to change) and applies to fuel used in a heavy vehicle for travelling on public roads.

\*\*\* This does not include packaging fuels in containers of 20 litres or less or domestic heating.

The Australian Government is proposing to index excise duty rates for most fuels every six months. If this change becomes law, fuel tax credit rates will change again. Check back here regularly for the latest information.

## Study Assist – Nursing & Education

### Am I eligible?

You are eligible for this Benefit if you:

- graduated from an eligible education course or an eligible nursing/midwifery course after 30 June 2009;

- were a Commonwealth supported student for some or all of that course;
- had a HECS-HELP debt at course completion for that course;
- still have a HELP debt to repay in the income year for which you are applying;
- are required to make a compulsory HELP debt repayment for the income year of your application; and
- were employed as a teacher or a nurse/midwife for at least one week in the income year for which you are applying.

There is a lifetime limit of 260 weeks for the Benefit as an education or nursing/midwifery graduate. That means eligible applicants could receive this HECS-HELP Benefit for 5 years of eligible employment.

### What is an eligible education course?

It is:

- a course that leads to the award of a qualification that is recognised by a state or territory government as meeting the requirements for initial registration or employment as a teacher in a primary, secondary, middle or intermediate school; or
- an early childhood education teaching course. An early childhood education teaching course is a course that leads to the award of a qualification, that is recognised by a state or territory government as meeting the requirements to teach early childhood education.

### What is an eligible nursing/midwifery course?

- An eligible nursing or midwifery course is a course that leads to the award of a qualification that is recognised by a state or territory government as meeting the requirements for initial registration as a registered nurse or a registered midwife.

### Teaching related occupations

To be eligible for the Benefit as an education graduate you must, along with other eligibility criteria, be employed (for at least one week) in the income year for which you are applying, as a:

- Early education teacher (including early childhood special education teachers);
- Primary school teacher;
- Middle school teacher;
- Secondary school teacher;
- Special education teacher; and
- School principal.

A description of each role is outlined in the *HECS-HELP Benefit Guidelines*.

### Related occupations for nursing/midwifery graduates

*The material and contents provided in this publication are informative in nature only. It is not intended to be advice and you should not act specifically on the basis of this information alone. If expert assistance is required, professional advice should be obtained.*

This is an occupation that requires registration as recognised by the [Nursing and Midwifery Board of Australia \(NMBA\)](#) for employment purposes, as a registered nurse, registered midwife or an enrolled nurse (referred to as a Division 2 nurse in Victoria).

### How much will my reduction be?

The Benefit is calculated on a pro-rata basis according to the number of weeks worked in the income year period. The amount of HECS-HELP Benefit that you can receive depends on your HELP debt when you completed your course and the number of weeks worked in an eligible occupation.

The maximum HECS-HELP Benefit as an education or nursing/midwifery graduate is:

- \$1,558.50 for the 2009–10 income year;
- \$1,588.11 for the 2010–11 income year;
- \$1,635.75 for the 2011-12 income year;
- \$1,683.19 for the 2012-13 income year; and
- \$1,716.85 for the 2013-14 income year.

The maximum amount will be indexed for later years.

### Example:

Anna completed an eligible nursing degree in November 2010 and worked as a registered nurse from January 2011 to June 2011 for a period of 26 employed weeks in the 2011-12 income year. Anna incurred a HECS-HELP debt of \$12,000 upon completion of her nursing degree. Anna lodges her 2011-12 income tax return in August 2012 and applies for the HECS-HELP benefit at the same time. Her repayment income is \$50,000 and her compulsory repayment is \$2,000 (please refer to the loan repayments section for information on how to calculate the repayment amount).

Anna's HECS-HELP benefit amount is calculated as follows:

*Maximum Benefit\* ÷ 52 x weeks employed = Benefit received*

$$\$1,635 \div 52 \times 26 = \$817$$

*\*Maximum HECS-HELP Benefit amount for the income year for an education or nursing/midwifery graduate.*

Anna's accumulated HELP debt is reduced by \$817. Anna is required to make a HELP debt repayment of \$1,183 (\$2,000 - \$817).

### How do I apply for the Benefit?

Applications for the education or nursing/midwifery HECS-HELP Benefit may be made to the ATO from 1 July 2010, preferably at the same time that you submit your income tax return. More information on applying for a HECS-HELP Benefit is available on the [Australian Taxation Office \(ATO\) website](#).

\* <http://studyassist.gov.au>

## Commonwealth Seniors Health Card ("CSHC")

*Please note the following article has not been written by Kilara Group. We have reproduced it courtesy of [www.superguide.com.au](http://www.superguide.com.au) in order to help explain how Super Benefits are counted in relation to the Commonwealth Seniors Health Card.*

CSHC income test: What is untaxed superannuation and taxed super?

Dear me! In its attempts to explain the changes to the Commonwealth Seniors Health Card, the federal government has caused wholesale confusion by using the wrong super terms to explain what will be counted for the CSHC income test. All in all, I reckon it has been a bit of a debacle.

Having said that, some of the super terminology is positively mind-boggling so I do empathise with the Liberal government in trying to explain what super benefits are counted as income in the CSHC income test.

We have received plenty of emails seeking clarification on the Federal budget announcement that has now confirmed that previously excluded super income, namely income from tax-free super pensions, is now counted towards the CSHC income test from 1 January 2015. **More precisely deemed income from super pensions will be counted towards the CSHC income test.**

Unfortunately, the government used the term 'untaxed superannuation income' to describe the previously excluded superannuation benefits, when 'untaxed' has a special meaning in the super world.

In the 2014 Federal Budget papers the government states:

*The Government will achieve savings of \$20.9 million over five years by including untaxed superannuation income in the assessment of income to determine eligibility for the Commonwealth Seniors Health Card (CSHC) from 1 January 2015. The assessment of superannuation income will be the same for CSHC holders as for Age Pension recipients and will align with the 2013-14 Budget measure to deem the balances of account-based superannuation of pensioners from 1 January 2015.*

**All superannuation account-based income streams held by CSHC holders before the implementation date will be grandfathered under the existing rules.**

### What is 'untaxed superannuation income'?

Unfortunately, there is no official definition to this term, but the government intends that term to describe what they are trying to include in the income test for the CSHC, namely superannuation

pension benefits that are exempt from tax. In other words, account-based super pensions received by individuals aged 60 and over, which are paid out tax-free.

Some of our SuperGuide readers were hoping that the government meant super pension benefits from an 'untaxed source' (yes, something different again) were to be included, but these benefits are already counted towards the CSHC income test. Benefits from an untaxed source are typically pension benefits from a defined benefit public sector scheme. Such benefits are called 'untaxed' because the public sector has not paid tax on super contributions or earnings throughout the accumulation phase, primarily due to the fact that the super pensions were unfunded, and are paid directly from government coffers when a person retires.

So, we have 'untaxed superannuation income' which really means super benefits that have come from a 'taxed source' (that is, have paid contributions and earnings taxes throughout accumulation phase). The 'untaxed' term that the government uses in this instance means tax-free super pension benefits. In other words, super benefits that have not been taxed when paid out as pension benefits.

We then have benefits from an 'untaxed source' which relate to super benefits that have not paid any earnings or contributions taxes during accumulation phase, but are taxed when taken out of the fund, even after the age of 60.

Clear as mud?

### **Blame history for confusion**

Before the introduction of tax-free superannuation pension benefits for over-60s in 2007, super pension income was always included in the CSHC income test. Before July 2007, a tax-free amount (representing a return of an individual's after-tax contributions over a period of time) of an income stream from a pension was not counted under the CSHC rules. The pension income that formed part of an individual's taxable benefit, or what is now called the taxable component of a super benefit, had been counted.

When the Government introduced tax-free super for over-60s in July 2007, an unintended consequence of this significant change was that thousands of Australians became eligible for the CSHC for the first time, because super pension income no longer formed part of an individual's 'taxable income'. At the time, the ALP government made a conscious decision to maintain this exclusion of tax-free pension income from the CSHC test.

### **In summary...**

I also explain the difference between benefits from a taxed source ('untaxed superannuation income') and from an untaxed source in a related article where I state: "Under the tax-free super changes introduced in 2007, pension income from a 'taxed source' paid to over-60s was not part of a person's taxable income – it is this type of super benefit that the Liberals are describing as 'untaxed superannuation benefits'. In 2009, the government made a conscious decision to exclude superannuation pension income from a taxed source from the CSHC income test.

Confusingly, in super land there are super benefits known as benefits from 'untaxed source' which have always counted for the CSHC test, and have always been treated as taxable income. If you're a long-term public servant, or were a public servant, then you're likely to be receiving pension income from an 'untaxed source', which is not the same thing as untaxed superannuation benefits, as the government is choosing to use in the 2014 Budget".

Here is a summary of how superannuation pensions will be affected by the Age Pension income test from 1 January 2015:

- Individuals already receiving the Age Pension as at 1 January 2015, will continue to be tested under the previous rules, that is, pension income will be adjusted by a deductible amount before including "income" for the purposes of the Age Pension income level.
- If an individual changes his or her superannuation pension product on or after 1 January 2015 (including changing to a reversionary pension), then the income from the new pension will be subject to deeming rules rather than the previous income treatment.
- If an individual commutes his superannuation pension on or after 1 January 2015, then the previous income test rules will cease to apply, and the deeming rules will apply.
- If you are not receiving the Age Pension as at 1 January 2015, then your super pension will be subject to the new deeming rules.
- According to the explanatory memorandum, the extension of the deeming rules applies to "any asset-tested income stream (long term) that is an account-based pension, or an equivalent annuity product.

\* <http://www.superguide.com.au>

## Private Health Insurance Rebate

If you have private health insurance cover, you may be eligible for the private health insurance (PHI) rebate. Most people claim the rebate as a reduction in the amount of premiums they pay to their insurer. The rebate is income tested which means that, if you have a higher income, your rebate entitlement may be reduced or you may not be entitled to any rebate at all.



From 1 April 2014, the rebate amount is adjusted by an annual rebate adjustment factor:

Status	Income Thresholds			
	BASE TIER	TIER 1	TIER 2	TIER 3
Single	\$88,000 – less	\$88,001 – \$102,000	\$102,001 – \$136,000	\$136,001 or more
Family	\$176,000 – less	\$176,001 – \$204,000	\$204,001 – \$272,000	\$272,001 or more
Age	Rebate for premiums paid; 1 July 2013 – 31 March 2014			
Under 65 years	30%	20%	10%	0%
65-69 years	35%	25%	15%	0%
70 years or over	40%	30%	20%	0%
Age	Rebate for premiums paid; 1 April 2014 – 30 June 2014			
Under 65 years	29.040%	19.360%	9.680%	0%
65-69 years	33.880%	24.200%	14.520%	0%
70 years or over	38.720%	29.040%	19.360%	0%

If you don't have an appropriate level of private patient hospital cover, you may have to pay the Medicare levy surcharge.

This information explains how the PHI rebate and Medicare levy surcharge work, and how to complete the relevant sections of your tax return. There are nine chapters:

### Private health insurance (PHI) rebate

To be eligible for the rebate, you must have a complying health insurance policy and meet other criteria. The rebate amount will depend on your single or family income. You can claim the rebate as either a premium reduction or a refundable tax offset. From 1 April 2014, the rebate percentage is adjusted by a rebate adjustment factor.

### Lifetime health cover (LHC) loading

Lifetime health cover (LHC) loading is a penalty that generally applies if you have not taken out and maintained private health insurance from the year you turned 31 years old. The PHI rebate is no longer payable on LHC loading.

### Medicare levy surcharge

If you (or any of your dependents) don't have an appropriate level of private patient hospital cover for the full year, and your income is above a certain threshold, you may have to pay the Medicare levy surcharge. The surcharge is payable in addition to the Medicare levy.

### Your private health insurance statement

In July each year, you should receive a statement from your registered health insurer with details of your policy and premiums paid. **You will need this statement to complete your tax return.**

## Net Medical Expenses Tax Offset Phase Out

On 14 May 2013, the government announced in the 2013–14 Budget that it will phase out the net medical expenses tax offset.

From 1 July 2013, those taxpayers who received the offset in their 2012–13 income tax assessment will continue to be eligible for the offset for the 2013–14 income year if they have eligible out-of-pocket medical expenses above the relevant claim threshold. Similarly, those who receive the tax offset in their 2013–14 income tax assessment will continue to be eligible for the offset in 2014–15.

As a consequence of these changes if you were not eligible for the offset in 2012/13 you will no longer be eligible at any future time.

The changes mentioned above will not apply to all taxpayers – the offset will continue to be available

*The material and contents provided in this publication are informative in nature only. It is not intended to be advice and you should not act specifically on the basis of this information alone. If expert assistance is required, professional advice should be obtained.*



for taxpayers with out-of-pocket medical expenses relating to disability aids, attendant care or aged care expenses until 1 July 2019.

The amending Act received royal assent on 18 March 2014.

## Taxation of super death benefits

The amount of tax that a beneficiary will have to pay on your super death benefits depends on the following factors:

- Is the beneficiary a dependent or non-dependent?

A dependent for a death benefit ETP is:

- A surviving spouse or de facto spouse.
- An ex-spouse.
- A child under 18 of the deceased.
- Any person who is financially dependent on the deceased at the time of death, or at the time of the payment of the death benefit ETP.
- Any person who was in an interdependency relationship with the deceased at the time of death.

- Will the death benefit be paid as a lump sum or a pension?
- How old was the deceased?
- How old is the beneficiary when he/she receives the benefits?
- What are the components of the benefit? Tax-exempt or taxable?
- Is the benefit coming from a taxed or untaxed source?

### What do you want your death benefit to go to?

The following table shows how your super death benefits are taxed.

#### Taxation of benefits paid to a dependent

Age of Deceased	Death Benefit Type	Age of Recipient	Taxation
Any age	Lump sum	Any age	Tax free
Over age 60	Pension	Any age	Taxed element is tax free
			<table border="1"> <tr> <td>Taxable component</td> <td>* Untaxed element is taxed at marginal rate * Recipient is entitled to 10% tax offset</td> </tr> </table>
Taxable component	* Untaxed element is taxed at marginal rate * Recipient is entitled to 10% tax offset		
Below age 60	Pension	Over age 60	Taxed element is tax free
			<table border="1"> <tr> <td>Taxable component</td> <td>* Untaxed element is taxed at marginal rate * Recipient is entitled to 10% tax offset</td> </tr> </table>
Taxable component	* Untaxed element is taxed at marginal rate * Recipient is entitled to 10% tax offset		

Age of Deceased	Death Benefit Type	Age of Recipient	Taxation	
			Taxable component	Taxation
Below age 60	Pension	Below age 60	Taxed element is tax free	* Taxed element is taxed at marginal tax rate * Recipient is entitled to 15% tax offset * When recipient turns 60, this becomes tax free
			Taxable component	* Untaxed element is taxed at marginal tax rate * Recipient is entitled to 10% tax offset after age 60

#### Taxable of benefits paid to a non-dependent

Age of Deceased	Death Benefit Type	Age of Recipient	Taxation
Any age	Lump sum	Any age	Taxed element is tax free
			<table border="1"> <tr> <td>Taxable component</td> <td>* Taxed element is taxed at 15% * Untaxed element is taxed at 30%</td> </tr> </table>
Taxable component	* Taxed element is taxed at 15% * Untaxed element is taxed at 30%		
Any age	Pension	Any age	This option is no longer available

\* [www.moneysolutions.com.au](http://www.moneysolutions.com.au)

## Client 'in Focus'

We thank Rosemary Creed for her time and contribution to 'Client In Focus' this quarter. You may recognise Rosemary for her contribution to "The Look Good... Feel Better" workshops on the Border as published in The Border Mail in July 2014.

**My Name:** Rosemary Creed

**My Business:** Volunteer Co-Ordinator with "The Look Good... Feel Better" Workshops, Albury/Wodonga and surrounds

**What services/products does the workshop provide?** The workshops are to help cancer patients with their appearance and to regain their self-esteem and self-confidence. The workshops are available to all cancer patients, both women and men. The men's program assists with skin care regime with the importance on using sunscreen.

**What is your niche or speciality?** I'm the co-ordinator and responsible to Gateway Health, Look Good.... Feel Better and the private hospitals

**Where are the workshops held?** Murray Valley Private Hospital, Wodonga. The workshops are held every 6 weeks.

The material and contents provided in this publication are informative in nature only. It is not intended to be advice and you should not act specifically on the basis of this information alone. If expert assistance is required, professional advice should be obtained.

**How long have you been a volunteer?** Since October 2006. In the beginning there were 4 workshops per year with 6 people attending which has now grown to 8 workshops per year with 12-14 people attending.

**How long have you been a Kilara Customer?** Since 1980's

**Which Kilara Services do you use?** Financial planning and tax

**How many volunteers assist at the workshops?** There is a total of 17 volunteers (10 volunteers assist at each workshop) who are mainly full time employees who use their RDOs or any free to help out

**What lifestyle activities do you enjoy?** Walking and generally being active

**What makes you laugh?** Enjoying people

**Where will you be in 5 years?** Doing much the same as present

**What is your outlook of the world we live in?** I have concerns for the grandchildren and families particularly regarding the Australian economic climate

\*\*\*\*\*

We think Rosemary is setting a wonderful example for future generations and is already making a wonderful contribution to our society and we would like to congratulate her and the volunteers of The Look Good... Feel Better program on being awarded the most successful program (out of 180) throughout Australia and Rosemary will be honoured to accept the National Award in Sydney on the 5<sup>th</sup> September 2014.

If you would like to register to attend or assist at the Look Good... Feel Better Workshops please contact Rosemary on 02 6021 3604.



\* Photo courtesy of John Russell, The Border Mail

## Recipe – Footy Finals Mini Meat Pies

<b>Prep</b> 15 mins	<b>Cook</b> 25 mins	<b>Difficulty</b> Super Easy	<b>Servings</b> 24
------------------------	------------------------	---------------------------------	-----------------------



### Ingredients

- 1 tablespoon vegetable oil
- 1 brown onion, halved, finely chopped
- 2 garlic cloves, crushed
- 500g lean beef mince
- 1 carrot, peeled, coarsely grated
- 1/4 cup powdered gravy (Gravox)
- 1 cup boiling water
- 2 sheets (25 x 25cm) ready-rolled short crust pastry, just thawed
- 2 sheets (25 x 25cm) ready-rolled puff pastry, just thawed
- 1 egg, lightly whisked
- Tomato sauce, to serve

### Method

Heat oil in a medium frying pan over medium heat. Add onion and garlic and cook, stirring, for 2 minutes or until onion softens. Add the mince and cook, stirring with a wooden spoon to break up any lumps, for 5 minutes or until mince changes colour. Add the carrot and stir until well combined.

Meanwhile, place gravy powder in a heatproof jug. Add boiling water and whisk with a fork until combined. Add to mince mixture and cook, stirring, for 2 minutes or until sauce thickens slightly. Remove from heat. Cover and set aside for 30 minutes to cool.

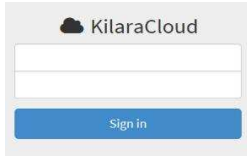
Preheat oven to 180°C. Cut the short crust pastry sheets into 24 even squares. Line twenty-four 40ml (2-tablespoons) capacity mini muffin pans with the short crust pastry squares. Spoon mince mixture among pastry cases.

Cut puff pastry sheets into 24 even squares. Top each pie with a pastry square. Use a small sharp knife to trim excess pastry. Brush tops with egg.

Bake in oven for 20 minutes or until golden brown. Remove from oven and set aside in the pans for 5 minutes to cool. Serve pies with tomato sauce.

\* [www.taste.com.au](http://www.taste.com.au)

*The material and contents provided in this publication are informative in nature only. It is not intended to be advice and you should not act specifically on the basis of this information alone. If expert assistance is required, professional advice should be obtained.*



# **KilaraCloud is coming...**

**To register your interest please fill in the enclosed form and return it to:**

**Kilara Group  
PO Box 115  
COROWA NSW 2646**

**Name:**

---

**Email:**

---

**Contact Nos.:**

---