Please don't forget……

Our success is a result of referrals from clients and friends like you. We could always use a few more.

So if you have children, family members, friends or colleagues that may need some advice, please pass on our details to them.

Complete Financial PLANNING

Your family's future is our business

NEWSLETTER MARCH 2013

News from Complete Financial Planning

- Congratulations to Natali Collins who has given birth to a beautiful and healthy little girl - Elizabeth Grace Collins.
- A big thank you to those of you that returned completed survey forms last year. The information has been collated and suggestions are in the process of being implemented. When Emma and Kathy see you for reviews this year they will discuss some of these issues with you. According to the results, 90% of our clients are ***very*** satisfied with the service they receive from Complete Financial Planning.
- Don't forget to check out our Company Website

  www.completefinancialplanning.net
- And make sure you go on and 'LIKE' our Facebook page www.facebook.com/completefp

Sue's Gardening Tips

Now is the time to start planting herbs and vegies ready to eat in around 6 weeks.

Broccoli	Cabbage
Beetroot	Spinach
Cauliflower	Chives & Oregano

I have a great soup receipe for Broccoli & Cauliflower - If you would like a copy just let me know.

In this Quarters newsletter - Review of Superannuation Changes and Benefits

- Money Printing and Hyperinflation
- Are you entitled to the Government Co-Contributions?
- Super Fund Refund of Contributions tax for low income earners
- Increase in Superannuation Guarantee (SG 9%) Employer Contribution
- Changes to Self Managed Superannuation Funds

Money Printing and Hyperinflation (Courtesy Shane Oliver AMP)

What is quantitative easing and why do it?
Quantitative easing basically involves a central bank such as the US Federal Reserve (Fed) using printed money to buy assets such as government bonds or mortgage-backed securities (ie pools of mortgages) in order to pump cash into the economy. Normally central banks implement monetary policy by changing interest rates. But when companies and households are focussed on reducing debt, interest rates can fall to zero and still growth remains weak. To continue boosting the economy another way is to boost the quantity of money. Hence the quantitative easing since the global financial crisis.

How does QE work to boost growth?
There are several channels through which quantitative easing can boost growth. First, by pumping money into bond and mortgage markets it lowers long-term borrowing costs. Second, by injecting more cash into the economy – mostly into the banking system – some of this may be lent out, boosting growth. Third, by displacing investors in risk free assets such as government bonds it forces private investors to invest more in risky assets such as corporate bonds or shares which boosts the supply of capital to businesses. Fourth, to the extent that it boosts share markets it boosts wealth, which in turn helps drive spending. Finally, an increase in the supply of a particular currency, say the US dollar or yen as a result of quantitative easing, may reduce its value making it easier for exporters.

What are the risks associated with QE?
There are several risks associated with quantitative easing. These relate to the difficulty in ensuring a smooth exit once it is no longer required, financial distortions associated with the central bank owning a significant share of the bond market, asset bubbles and inflation. At present the benefits in the form of lower unemployment and higher growth appear to outweigh the costs. So far it's hard to find any asset bubbles – although gold and bonds have been and remain potential candidates – but history tells us that it isn't just QE that can lead to bubbles. Historically, monetary easing via interest rate cuts have also often led to bubbles. And there is still no sign of any hyperinflation. But obviously the trade off between the benefits and the costs needs to be looked at carefully.

About the super co-contribution (Courtesy of the ATO)

The superannuation (super) co-contribution is a government initiative to help eligible individuals boost their super savings for the future.

If you are a low or middle-income earner, you can take advantage of the super co-contribution payment by making eligible personal super contributions to your super fund or Retirement Savings Account (RSA). The government will then pay you 50% of every dollar you contribute up to $1,000 of your personal super contributions.

So if you earn under $46,920 and contribute $1,000 then the government will contribution $500 extra into your account.

You don't need to apply. If you're eligible, all you need to do is make eligible personal super contributions to your super fund and lodge an income tax return.

After the maximum super co-contribution payable, the way we work out this amount depends on the financial year in which you made your eligible personal super contributions and whether your total income falls between the super co-contribution income thresholds for that year. It is worked out on a pro rata basis.

Super co-contribution and tax

The super co-contribution:

- is not subject to tax when it is paid to your super fund or RSA
- is not included as income in your tax return
- is preserved in a super fund or RSA and can only be accessed when other preserved amounts can be accessed - that is, when a condition of release has been met.

Earnings on the super co-contribution will be taxed like any other earnings of the super fund or the RSA provider.

Super tax refund for lower-income earners

(Courtesy of the ATO)

In the 2010-11 Federal Budget, the government announced it would provide a new government super contribution for the 2012-13 income year.

The legislation creates the low income super contribution which will provide a new super contribution tax payment of up to $500 annually for low income earners for the 2012-13 income year.

The payment amount will be 15% of concessional contributions (including employer contributions) made by or for individuals with an adjusted taxable income that does not exceed $37,000.

Changes to the super guarantee

(Courtesy of the ATO)

The Superannuation Guarantee (Administration) Amendment Act 2012 received royal assent on 29 March 2012. In the legislation:

- The superannuation guarantee (SG) rate will gradually increase from 9% to 12% between 1 July 2013 and 1 July 2019
- From the 1st of July 2013 the rate will increase from 9% to 9.25%
- The SG age limit of 70 will be removed from 1 July 2013, and employers will be required to contribute to complying super funds of eligible mature age employees 70 years old and older

Changes to Self Managed Superannuation Funds (SMSF)

(Kaplan Education)

Stronger Super SMSF Measures that are now Law

- Stricter rules for investing in collectables and personal use assets
- The requirement for trustees to consider insurance
- The requirement for regular review of a fund's investment strategy (including insurance)
- The requirement for valuation of assets at 'market value'
- Sanctions for separation of assets

Proposed Stronger Super SMSF Measures

- Requirement for in-species asset transaction to be conducted through a market
- Adviser competency requirements
- Auditor registration and independence
- Crackdown on illegal early release superannuation schemes

BNI Trades & Services

Complete Financial Planning has developed business alliances with the following services and trades.

Professional Services

- Financial Planner
- Lawyer
- Accountant
- Property Investment Specialists
- Bookkeeping Services
- Business Coach

Real Estate Services

- Mortgage Broker
- General Insurance
- Settlement Agent
- Real Estate Agent

Business Technology

- IT Consultants

Contractor/Trades

- Electrician
- Handyman
- Cabinet Maker
- Cleaning Services
- Plumber

Events

- Travel Agent
- Photographer
- Florist

Health & Wellbeing

- Chiropractor

Marketing

- Website Developer
- Graphic Designer
- Google Ad Words/SEO Specialists
- Printer
- On Hold Messaging services
- Resume Writer

If you are interested in any of the above services or trades, please contact Emma or Kathy on 9250 5599 for further information.

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