

The Guardian

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"Keeping you informed"

Borrowing in a Super Fund

The Government has recently altered the rules relating to SMSF (Self Managed Super Fund) investments in Instalment Warrants. Instalment warrant investments have been a common strategy for SMSF's to access a form of gearing, although the law did not actually specify that they were allowed to do this. This anomaly has now been rectified, and in the process has expanded the potential application of instalment warrants to include real estate.

In practice, a unit trust structure is created which takes out a loan and purchases the property, and the SMSF progressively purchases units in the unit trust under a non-recourse agreement. In effect the super fund is borrowing the money, but technically and legally it is not, which allows it to access the benefits of gearing within the law.

Although this may sound like an exciting and potentially lucrative option for your SMSF, any investment should firstly be made on it's own merits and then the option to gear should be considered as part of the overall investment plan, remembering that gearing not only magnifies gains, but also losses. If you are interested in discussing how this structure could suit your circumstances, please give me a call.

Time Management is Dead!

Instead of trying to fit as much as possible into your work day, or a particular time period, prioritise your tasks, starting with with 2-3 must do's, and you'll find that you not only get more things done and feel a greater sense of work satisfaction, you'll feel less pressure to get everything done at once.

Prior Year Tax Refunds

Are you, or a friend, not convinced that you got the best tax refund from your previous accountant? We offer a *"Tax Refund Review"* with a Guaranteed no risk to you. We will review your previous tax return and make any amendments that can be made to get you the full refund that you're entitled to. We are so confident that we can identify the claims that other accountants miss (or don't know about) that we guarantee that our fee will not exceed 50% of the additional refund that we can get for you.

Call us now, you can't lose!

Key Due Dates

21st Jan - Quarterly PAYGI
21st Jan - Monthly IAS
29th Jan - Quarterly super contribution
28th Feb - Tax returns for new SMSF's
28th Feb - Quarterly BAS
28th Feb - Quarterly IAS
21st Mar - Monthly IAS
31st Mar - Tax returns for Indiv. & Trusts

Tax Deductible Life Insurance

Usually life insurance is not tax deductible. But, this is only the case if the owner of the insurance policy is not a super fund. All super funds are entitled to provide protection in the case of your death. The premiums are thus deductible to the super fund.

By taking out your life insurance through your super fund you are achieving the ideal outcome of converting a non-deductible cost into a tax deductible cost, and saving yourself 15%.

Before going ahead with this you should check for differences in cover between your current policy and your super fund policy. Your super fund can also provide income protection insurance, although this is already deductible to you.

Book Review

"The 4 Hour Workweek"

I have just finished reading this great new book that I was given at Christmas. The book has some really practical concepts for improving your work & life productivity and enjoyment, achieving your goals, and is a great inspiration to look at life from a different perspective. I recommend that everyone read this book, no matter who you are or what you do.

"Don't worry about what anybody else is going to do.
The best way to predict the future is to invent it."
- Alan Kay

This newsletter is general in nature and should not be relied upon as specific advice. Please consult us before making any decisions based upon the information provided.