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CLIENT NEWSLETTER

19 June 2009

SUPERANNUATION CO-CONTRIBUTION

If you earn less than \$60,342 a year, and make personal superannuation contributions, the government may now give you a helping hand with the super co-contribution.

For the 2009 financial year, the government will make a "co-contribution" up to \$1,500 per year, on a \$1.50 for \$1.00 basis if you earn \$30,342 or less a year.

So, if you contribute \$500, the government contribution would be \$750. To derive the maximum, a personal contribution of \$1,000 is required.

When you earn more than \$30,342 but less than \$60,342, the super co-contribution will be adjusted, based on your income and how much you personally contribute.

You will be eligible for the co-contribution if:

- you have made personal superannuation contributions to a complying superannuation fund or a retirement savings account (RSA);
- your 'total income' (assessable income plus reportable fringe benefits) is less than \$60,342 (this may be different to your taxable income);
- 10% or more of your total income is from eligible employment;
- you do not hold an eligible temporary resident visa at any time during the year;
- you lodge an income tax return for the year of income; and,
- you are less than 71 years old at the end of the year of income.

If you are eligible and wish to make a personal superannuation contribution, we suggest you send a cheque for your desired contribution to your superannuation fund, with a note stating:

- your Name
- your Member Number
- your Address
- your Date of Birth
- that you wish to make a voluntary personal superannuation contribution for government co-contribution purposes.

Please contact us if you need further information or assistance.

SUPERANNUATION PAYMENTS

Payments of superannuation must be received by the relevant fund by 30 June to obtain a tax deduction for the current financial year. Accordingly we suggest you do not leave this until the last day, as some funds may not receive the payment until after 30 June and any contributions paid via internet transfers are not considered to be received by the fund until they have been credited into the fund's account.

The required level of superannuation for all employees is 9% for the year ended 30 June 2009.

To avoid incurring the non-deductible Superannuation Guarantee Charge (SGC), we suggest you ensure you have covered all employees, including employed directors and "owners", for the SGC, as the latest contributions for the 2008/2009 year must be paid prior to 28 July 2009.

A reminder also that the quarterly payment system of SGC contributions continues into next year.

Please contact our office with any queries.

What is "OBM"? Open Book Management

The logic of OBM is simple:

Businesses in which all team members think and act like owners will outperform businesses in which only a few people at the top see that as their job.

This Newsletter, of necessity, has dealt with matters of a technical nature in general terms only. Clients should contact us for detailed information on any of the items in the Newsletter. No responsibility for loss occasioned to any person acting or refraining from acting in reliance upon any material in this Newsletter can be accepted by any member of the firm.