



# Messenger Zerner

THE ANNUAL REVIEW: JUNE 2021



## KARIN'S FAREWELL

Some of our clients may be aware that Karin Dungey has announced her retirement from Messenger Zerner after more than 30 years of loyalty and professionalism. Reflecting upon her time at Messenger Zerner, Karin has said;

"Messenger Zerner has a really good mix of clients, many of whom I have had the pleasure of knowing on a personal level. This personal connection has helped me to appreciate and understand how their business and work environments operate in the real world.

I have seen several staff changes over my time at Messenger Zerner. Older partners have retired making way for younger ones who have brought with them new and fresh ideas to the practice. Everyone is always willing to lend a hand and work together to achieve the desired result. We have a great staff mix and I will miss the fun times we have had together.

I have learnt a lot during this time, not only from a technical perspective but also on a personal level. If this is sounding a little mushy you're probably right, but when you have worked with a firm for so long it gets a little hard to say goodbye.

I am now at a stage in my life where I need to explore our beautiful country while I am still able. We are planning a trip in our caravan for a few months firstly heading north and then across to WA and down the west coast. I will be packing my gold detector for those trips through the central desert regions, and my paint brush & easel to capture some of the beauty on the way."

Karin, from all of us at Messenger Zerner, we thank you for your many years of service and we will definitely miss you!

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# 2021 TAX STRATEGIES

*Effective planning and preparation is important for all taxpayers as the end of financial year approaches. Below are some of the strategies for consideration before the end of the financial year.*

## Ø WORKING FROM HOME

More and more employees and business owners are working from home. As a result there are home office expenses that are now claimable in your tax return. As a result of COVID, the ATO introduced a new "shortcut" method which simplifies how you calculate your deduction for working from home. We recommend that you consult us when determining which method is best suited for your home office claim.

Click [here](#) for more information regarding the various methods for claiming a tax deduction.

## Ø MOTOR VEHICLE LOGBOOK

If you are using your motor vehicle for work purposes, you may be entitled to claim a tax deduction. You must keep a record of all work-related kilometres driven. For individuals with significant business use, we recommend keeping a detailed logbook. There are two methods available for use in determining your deduction, logbook and cents per kilometre. Consult us to determine which option is best suited to you.

Please visit [here](#) for more information to your logbook claim.

## Ø TEMPORARY FULL EXPENSING

An extension of the instant asset write-off, as detailed in the recent budget announcements, eligible businesses will be able to claim the full cost of eligible capital assets acquired from 7:30pm AEDT on 6 October 2020 and first used or installed by 30 June 2023.

## Ø BRING FORWARD EXPENSES/DEFER INCOME

If you anticipate reduced turnover in the next financial year a strategy may be to bring forward and pay business expenses this year to enable a deduction. You may also consider deferring income from the current financial year to the next. Consult us to determine if these strategies suit you.

## Ø VOLUNTARY SUPERANNUATION CONTRIBUTIONS

Did you know that you are able to make voluntary concessional contributions to your super and claim a deduction? For the year ended 30 June 2021, the current concessional contributions cap is \$25,000 (increased to \$27,500 from 1 July 2021), note the cap includes any super you've earned from employment via super guarantee contributions.

## STAFF NEWS

Over the course of the year we welcomed two new staff to our firm.

**Carolyn Wade** joined our Practice as a Receptionist. Carolyn commenced with us in August of last year and brings with her a friendly personality and professional attitude towards her work.

We also welcomed a new accountant, **Jeremy Campbell**, to our practice. Jeremy also joined us in August where he has been assisting us primarily within the Superannuation area. He will also assist in the taxation and business services functions within the Practice.

In other news, we also congratulate **Simon Grgic** for recently completing the CA Program and recognise the enormous achievement. Well done Simon!







## PROFESSIONAL PROFITS ALLOCATION

The ATO has recently released draft guidance on the allocation of professional firms' profits. This guidance provides the ATO's intended compliance approach when considering the allocation of professional firms' profits or the income of an individual professional practitioner.

This draft guidance will impact all professional firms' profits from 1 July 2023. Please talk to us if this may impact you.

## SUPERANNUATION

The non-concessional contribution cap will increase to \$110,000, up from \$100,000 in the 2020 financial year.

Bring forward rules may apply for unused contributions to eligible individuals. Don't hesitate to contact us to discuss.

The transfer balance cap for super fund members, currently \$1.6million, is going to be indexed to \$1.7million as at 1 July 2021. This calculation will vary for each individual and is not applicable for individuals with a transfer balance of \$1.6million or above.

Employers should also be considering the legislative increases for employee superannuation guarantee with increases occurring from 9.5 per cent to 12 per cent in 0.5 percentage point increases from 2021 through to 2025.

The first increase from 9.5 to 10 per cent is due to take effect on 1 July 2021.

Please click [here](#) for the timeline of rates and thresholds to be implemented.

Additionally, from 1 July 2022 all eligible employees will now be paid super guarantee regardless of the amount paid by their employer. We recommend that you contact us directly when determining if your employee satisfies these requirements.

## BUSINESS HEALTH CHECK

Were you aware that our services extend beyond the usual tax and compliance advice? The Covid climate has brought about many uncertainties and if you believe your business's cash flow is/will be impacted, then having an external advisor go through all facets of your business may be beneficial both now and into the future.

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## BUDGET REVIEW

The Federal Government released their 2020-21 Budget in May. Below are a few highlights we have extracted as being important.

### Ø LOW INCOME TAX OFFSET

The maximum low-income tax offset is now \$700 (increased from \$445).

The full offset received at a taxable income of \$37,500 or less, partial offset received up to a maximum taxable income of \$45,000.

### Ø LOW AND MIDDLE INCOME TAX OFFSETS

The Low Middle Income Tax Offset has been extended for the 2022 Financial Year - with eligible tax payers able to receive an offset up to \$1,080.

### Ø LOSS CARRY BACK

An additional year has been granted for claiming temporary full expensing and temporary loss carry back; this will allow eligible companies to carry back tax losses from the 2022-23 income year to offset previously taxed profits from as far back as the 2018-19 income year.

## CRYPTOCURRENCY

With the recent increase in popularity in cryptocurrencies like Bitcoin, the ATO has shifted its focus to ensuring individuals correctly report any gains or losses from trading. It is highly recommended that good record keeping is in place due to its complex nature. Discussing with an accountant can save you a few headaches down the track.





# Messenger Zerner

**TAXATION AND  
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ESTATE PLANNING**

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