

What is new in 2010 year tax return?

REPORTING EMPLOYEES' EXTRA SUPER

For the 2009–10 and all future years, if you make super contributions under an effective salary sacrifice arrangement or extra super contributions to a super fund for an employee, you may need to report those contributions on your employee's payment summary.

These contributions are called reportable employer superannuation contributions.

Reportable employer superannuation contributions are not included in your employee's assessable income. However:

- you must report them to us as part of your payment summary reporting
- your employee must report them to us in their income tax return.

Reportable employer superannuation contributions affect a range of government entitlements and obligations for individuals.

There are new payment summaries to be used by employers for the 2009-10 year. Please do not use the old ones if you have them archived.

WHAT ARE REPORTABLE EMPLOYER SUPERANNUATION CONTRIBUTIONS?

Reportable employer superannuation contributions are those contributions you make for an employee where all of the following apply:

- your employee influenced the rate or amount of super you contribute for them
- the contributions are additional to the compulsory contributions you must make under any of the following:
 - the superannuation guarantee law
 - an industrial agreement
 - the trust deed or governing rules of a super fund
 - a federal, state or territory law.

The new requirements to report the extra employer super contributions do not change how salary sacrifice arrangements or employer super contributions are treated. It is simply that extra contributions you make for an employee must be reported on your employee's payment summary along with any reportable fringe benefits.

NEW TAX RETURN LABEL – DIVIDEND DEDUCTIONS

This question is about expenses the taxpayer incurred in earning any dividend and similar investment income they declared at assessable income item 11.

You must also complete this item if the taxpayer had a listed investment company (LIC) capital gain amount in their dividends.

The taxpayer's expenses may include:

- management fees, and fees for investment advice relating to changes in the mix of the taxpayer's investments
- interest charged on money borrowed to purchase shares or similar investments
- costs relating to managing the taxpayer's investments, such as travel and buying specialist

investment journals or subscriptions.

NEW TAX RETURN LABEL – EXPENSE FROM FINANCIAL ARRANGEMENT (TOFA)

The Taxation of financial arrangements (TOFA) rules, introduced by the Tax Laws Amendment Act 2009, determine when gains and losses from financial arrangements are assessable and deductible for tax purposes. The key provisions are found in Division 230 of the ITAA97

Do the TOFA rules apply to you? The TOFA rules will apply to you if you meet any of the following three thresholds:

- You have an aggregated turnover of \$20 million or more for authorized deposit-taking institutions, securitization vehicles and other financial sector entities.
- Your assets are valued at \$100 million or more for superannuation entities with a similar status to a MIS under foreign law
- You have an aggregated turnover of \$100 million or more, assets of \$300 million or more, for financial assets of \$100 million or more for other taxpayers.

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