



TAX TIME ALMOST HERE...AGAIN

The time has almost come around again to start thinking about your tax returns (where does the year go!). Now is the time to start looking into ensuring you have all the documents and receipts you need to get your tax return done quickly. If you are in your first year out of uni, then you'll probably be due a tax refund - how does a couple of thousand dollars sound!!!! That's the average for first years.

If you are due a refund it's better to get it done as quickly as possible so that the money is in your pocket and not the tax man's. Give me a call to discuss what you can and can't claim in your tax return.

What's being Diagnosed in this edition

- Tax Time almost here...again
- Look Bike, Look Tax
- Happy New FBT Year
- Upcoming Events
- An Interesting Thought...

LOOK TAX - LOOK BIKE!



I have noticed over the last few years that many clients have started to use their bikes to commute, instead of those eco-unfriendly mobiles. Time pressured professionals also enjoy the physical exercise that the bike can afford. So, what's the tax office's angle on the use of a bicycle for work?

Simple really! Similar to claiming the use of your car, no-one can claim transport costs between home & work, as this is not income-earning activity. However if home is your workplace, as for freelance or contract workers, you can claim travel. Similarly if you commute between two work places, such as different hospitals, or between work/home & a place of professional development

(professional college, lecture, conference), you can also claim the travel costs.

An approach might be to log the use of your bike in such circumstances over a certain representative period (like 12 weeks as we do for a car), or at least keep a running sheet of your use over the year.

We could then establish the work use percentage of your bike & apply that percentage to expenses such as bike parts, repairs & accessories & depreciation of the bike itself.

We might also look at the reasonableness of claiming a percentage of your "protective clothing" such as a jacket, helmet & eyewear.

So, do you think you can claim some of your bike costs? Speak to us to clarify your situation.

Nick Fennessy BBus Dip(FS)

Business Development Manager

Level 2, 431 St.Kilda Road, Melbourne VIC 3004

p: 03 98633107 f: 03 9820 2822 e: nfennessy@bongiorno.com.au

www.bongiorno.com.au



Happy New Year.... Happy New FBT Year!!!!

What are your resolutions for the year....exercise more, eat healthier food, spend more time with the family!! Hopefully you haven't broken these yet. The start of April brings about the beginning of a new FBT Year and the end of the old. So that means it's time to revisit your salary packaging arrangements.



Being in the medical business gives you a one of the great benefits that is the envy of all other professions - the ability to Salary Package - to pay for goods or services with pre-tax dollars. This gives you a huge tax saving. There is no reason for you not to be taking advantage of salary packaging. In fact you'd be mad if you didn't.

There are many items which can be covered by Salary Packaging - Cars, Mortgage, Rent, Child Care Costs, Credit Cards just to name a few.

Employees who are employed by a Public Benevolent Institution (i.e.: Hospitals) can Salary Package \$9,095 on any or all of the above items. That is equivalent of being given a pay rise of \$17,000. Not only that but by Salary Packaging, you might even manage to reduce your personal tax rate.

To give you an example of this, Betty is earning \$82,000 per year as a resident doctor. If Betty doesn't salary package, she will be taxed at the 40% Marginal Tax Rate on \$82,000, which means the tax man takes \$19,900 away from her. Now, if Betty has Salary Packaged, then before tax is applied, she can take \$9,095 from her \$82,000 salary (equals \$72,905). Tax is then applied on \$72,905. However, because this falls below the previous tax threshold, the lower Marginal Tax Rate of 30% of the reduced amount is applied. Tax now payable - \$16,471. Betty has saved over \$3,400 in tax by packaging. WOW!

And as if this wasn't enough, you can then use FBT exempt items (computers, meals, PDAs) to further reduce your taxable earnings!

But wait, there's more (no steak knives). Did you know that you can Salary Package for each different network that employs you? A client in the last financial year worked for 3 different networks, which meant that he was able to reduce his taxable income by \$27,285 (3 x \$9095). If we use the above \$82,000 salary as a base, then he would have already saved almost \$9,000 in tax.

Now if you are happy for the tax man to take more money from you than he has to, please ignore Salary Packaging all together. But if you want to keep all the money you are entitled to keep, then ring Bongiorno for a chat about setting up your Salary Packaging scheme.

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Upcoming Events:

<i>Alfred Hospital - RMO Presentation & Lunch</i>	<i>May 23</i>
<i>St.Vincent's Hospital - RMO Presentation & Lunch</i>	<i>June 4</i>
<i>Box Hill Hospital - RMO Presentation & Lunch</i>	<i>June 13</i>
<i>Monash Medical Centre - RMO Presentation & Lunch</i>	<i>June 27</i>
<i>AMSA Convention</i>	<i>July 6-13</i>
<i>Austin Hospital - RMO Presentation & Lunch</i>	<i>July 11</i>
<i>Maroondah Hospital - RMO Presentation & Lunch</i>	<i>July 18</i>
<i>Dandenong Hospital - RMO Presentation & Lunch</i>	<i>July 25</i>
<i>Casey Hospital - RMO Presentation & Lunch</i>	<i>Aug 8</i>
<i>Austin Hospital - Clinical Presentation & Lunch</i>	<i>Aug 20</i>
<i>Royal Melb Hospital - RMO Presentation & Lunch</i>	<i>Aug 26</i>

Interesting thought....

If we could shrink the earth's population to a village of precisely 100 people, with all the existing human ratios remaining the same, it would look something like the following. There would be:

57 Asians

21 Europeans

14 from the Westerners

8 would be Africans

52 would be female

48 would be male

70 would be non-white

30 would be white

70 would be non-Christian

30 would be Christian

89 would be heterosexual

11 would be homosexual

6 people would possess 59% of the entire world's wealth, and they'd all be from the U.S.

80 would live in substandard housing

70 would be unable to read

50 would suffer from malnutrition

1 would be near death;



1 (yes, only 1) would have a tertiary education;

1 (yes, only 1) would own a computer.

And, therefore . . .

If you have food in the refrigerator, clothes on your back, a roof overhead and a place to sleep, you are richer than 75% of this world.

If you woke up this morning with more health than illness, you are more blessed than the million who will not survive this week.

If you have money in the bank, in your wallet, and spare change in a dish someplace, you are among the top 8% of the worlds wealthy.

If you can attend a church meeting without fear of harassment, arrest, torture, or death, you are more blessed than three billion people in the world.

If you have never experienced the danger of battle, the loneliness of imprisonment, the agony of torture, or the pangs of starvation, you are ahead of 500 million people in the world.

If you can read this message, you are more blessed than over two billion people in the world who cannot read at all.

As you read this and are reminded how life is in the rest of the world, remember just how blessed you really are to have the opportunities in life that you do.

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