



Tax Returns – Get in Early

The time has 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 it's 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. To make a tax return appointment after June 30, give me a call to arrange a time to discuss what you can and can't claim in your tax return.

What's being Diagnosed in this edition

- Tax Returns - Get in Early
- 2010 Federal Budget - how does it affect me
- Good Records a key to an accurate return
- Private Health Insurance - Get Cover or Pay the Penalty
- How Far Will Your Adviser Go for You
- Bongiorno Website - new audio
- Income Protection in ACTION
- 2010 Upcoming Events

2010 Federal Budget

How the 2010 Budget affects YOU

Remember the Federal budget that happened in May? You may not remember as most people who watch it tend to fall asleep within the first 5 minutes. And it really was a fizzer, except if you are in the mining industry. Let's have a look at some things that affect you as a medical and/or dental practitioners.

Tax Rates

2008/09 Income Range	Tax Rate (%)	2009/10 Income Range	Tax Rate (%)	2010/11 Income Range	Tax Rate (%)
\$0 - \$6,000	0	\$0 - \$6,000	0	\$0 - \$6,000	0
\$6,001 - \$34,000	15	\$6,001 - \$35,000	15	\$6,001 - \$37,000	15
\$34,001 - \$80,000	30	\$35,001 - \$80,000	30	\$37,001 - \$80,000	30
\$80,001 - \$180,000	40	\$80,001 - \$180,000	38	\$80,001 - \$180,000	37
\$180,001 +	45	\$180,001 +	45	\$180,001 +	45

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First Home Savers Account

The First Home Saver accounts may become more flexible. Currently if you open one of these accounts you are required to keep it open for 4 years before you can use the money to buy a property. If you buy a house within that time, the money must be transferred into your superannuation. The government is now looking at allowing any savings to be paid into the mortgage after the 4 year period. This is still 'work in progress'.

Increase in the low income tax offset

2010 year - maximum offset of \$1,350, cuts out where income is \$63,750

2011 year - maximum offset of \$1,500, cuts out where income is \$67,500

The low income tax offset will still phase out at a rate of 4c for each dollar over \$30,000. So effectively you get a tax free threshold of \$16,000.

Increase in the Net Medical Expenses Tax Offset

From 1 July 2010, the Government will increase the threshold above which the tax payer may claim the 20% net medical expenses tax offset from \$1500 to \$2000

Reduction to the Superannuation Co-Contribution

The Government will permanently retain the matching rate for the superannuation co-contribution at 100% or \$1 (rather than 150% or \$1.50), and the maximum co-contribution that is payable will be \$1000 (rather than \$1500) - This reverses what was announced in last year's budget!



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Good Records – a key to an accurate return

Keeping good tax records is essential to preparing your tax return correctly.

While you don't have to submit your records with your tax return, it's important you keep them for at least **5 years** in case the Tax Office asks to see them later.

You should keep records of:

- ✓ payments you've received, such as salary, pension or bank interest
- ✓ expenses related to payments you received, such as work-related expenses or repairs to a rental property
- ✓ buying or selling assets such as shares or a rental property
- ✓ tax deductible gifts or donations, and
- ✓ medical expenses.

If you're not sure, it's always better to keep too many records than not enough.

The better you keep records, the less the cost of completing your tax return will be!!

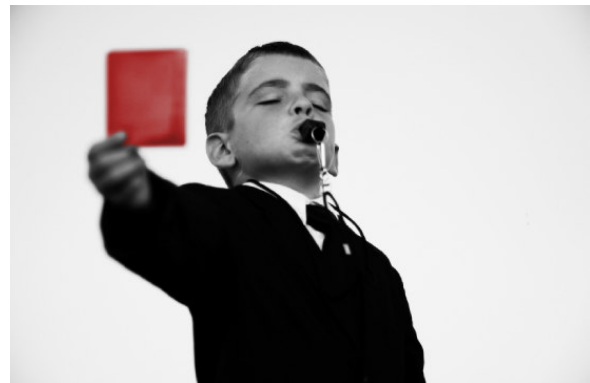
Private Health Insurance – Get Cover or Pay the Penalty

The Medicare Levy Surcharge is levied on Australian taxpayers who do not have private hospital cover and who earn above a certain income. The surcharge aims to encourage individuals to take out private hospital cover, and where possible, to use the private system to reduce the demand on the public system.

The surcharge is calculated at the rate of 1% of taxable income. It is **in addition** to the Medicare Levy of 1.5%, which is paid by most Australian taxpayers. The Medicare Levy Surcharge is imposed on individuals earning over the threshold who do not have an appropriate level of hospital insurance. The threshold for 2010 is \$77,000 for individuals and \$154,000 for families.

If you are on any Working Visa in Australia you may be able to get an exemption from paying **ALL** Medicare Levies – even the 1.5%. This is not an automatic thing that happens, you must make an application to the Medicare Office.

Want to know what to do?



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How Far will your Adviser go for you?

"How far will my Financial Adviser go?" is a new and exciting initiative to show you that Bongiorno and Partners is a unique and dedicated Financial Planning company. Oh, and a little bit different too!

The program is all about fun, and centres on going the extra mile for you. You see, many organisations these days proclaim they go the extra mile for their clients, they claim they will do anything to get your business. But sometimes, this is just talk. At Bongiorno and Partners we like to "walk the walk".

So not only will we do all we can to help you with your financial affairs, and assist you in the best way possible, but we will also prove to you in a light hearted manner that we are genuinely dedicated. To prove this we will tackle activities and challenges that most others would avoid!

Join in the fun:

You too can join in the fun. Simply use the voting form on the right of the Bongiorno Home Page and vote on the challenges you want us to undertake. You can view the challenges as often as you like. You can even tell your friends about it too.

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Challenge 1: Swimming Across the Yarra

The first dare took place in late along the Yarra River. On a rather cool and very breezy Tuesday morning, one of our advisers, Nick swam across the Yarra River after being challenged by several of his clients to do so. Avoiding boats, rowers and dead bodies, he swam across in under 3 mins. Watch the video. http://www.bongiorno.com.au/modules/mastop_publish/?tac=75



Despite Ecoli levels being high, Nick is currently feeling healthy and well.

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Bongiorno Website

The Bongiorno website is continually being updated. Since our last newsletter we have added several interesting audio files for all medical and dental professionals and calendar items for 2010.

We have recently started working with the Royal Australian College of Surgeons (RACS) to produce information CD's every 2 months. If you are a member of the RACS you will receive these CD's regularly, otherwise you can go to our website to listen.

We continue to produce similar CD's for the College of General Practitioners and the Australian Dental Association. .

Visit the audio page on our website to listen to recent recordings.

Income Protection IN ACTION

What is income protection?

Most people have heard about it, many don't understand exactly how it works and few have adequate cover in place, if any at all! And we bang on about it all the time.

So what is it?

It is a highly effective way of helping safeguard a person from the single greatest threat they may ever face - sickness or injury. If sickness or injury renders you unable to work, (and you satisfy the terms and conditions of your policy), then your income protection will go to work for you to pay a monthly income. Quite simply, it will help put food on the table, petrol in the tank, stop the bank from foreclosing on your mortgage, keep school fees paid and generally give you the means to maintain a reasonable standard of living if you are not able to earn your income.

Why do I need it?

When you consider how vulnerable a person's lifestyle is to a loss of income, it may be quite a risk not having your income protected.

Consider how much you earn, multiply that by how many years you have until retirement, and then add a factor for inflation and pay increases. It doesn't take a mathematician to work out that some people may be risking literally hundreds of thousands, if not millions of dollars if they were to suffer a long term medical condition without some form of protection.

To put it in perspective, try this quick quiz:

Which is your greatest asset?	Car	Home	Income
Which do you have insured?	Car	Home	Income



What if I just continue taking my chances?

Recent statistics show that on an average day in Australia:

- 214 people are diagnosed with cancer
- 41 people undergo coronary artery by-pass surgery
- 35 people between the age of 35 and 69 will survive a heart attack
- Further, more than 60% of Australians will be disabled for more than one month during their working life
- more than 25% will be disabled for more than three months during their working life

But won't my sick leave cover it?

Many people feel that their sick leave will protect them if they are off work. The truth is that even the most generous employer may be unable to maintain a salary for someone who is not able to work for an extended period.

Once sick leave expires, there is no obligation for your employer to support you. You may have personal savings, but for long term conditions how long will that last? You may choose to rely on the Social Security system, but these benefits may amount to a fraction of your current income. A reliable and practical answer is to create your own independent contingency plan through a personal income protection policy.

What about Worker's Compensation?

Many people believe that a lump sum will be provided through Worker's Compensation if they are substantially incapacitated. However, the truth is that 57% of disability claims are for sickness, and WorkCover does not cover non-work related sickness. Add to that the fact that over half of all serious injuries happen outside of work where WorkCover doesn't apply.

Even if you are able to claim Worker's Compensation, the restrictions on benefit payments are such that you may never be able to retain your current standard of living.

How much cover do I need?

Most income protection plans will allow you to cover 75% of gross earned income. This is to maintain a standard of living comparable to that which you would have while working.

Quality check

A good policy will allow you to add extra cover to protect against the financial loss and increased costs caused by severe disablement, and will also allow you to add cover to replace superannuation contributions.

This enables you to continue building a comfortable lifestyle into retirement during your time off work.

How do benefits work?

Benefit commencement and the duration of benefits are set out by a 'waiting period' and 'benefit period', which are decided when you take out a policy.

The waiting period acts like an excess on your car insurance in that the greater the waiting period, the lower the premium. During this period you self-insure the first instance of sickness or accident through your sick leave or your own means.

After that, if you satisfy qualification conditions, your benefit payments begin. Benefits will continue for as long as you continue to satisfy claim conditions, up to a maximum of your benefit period. This should ideally be for the remainder of your working life - usually to age 65, although other alternatives are available.



How do I qualify for a claim?

To be eligible to claim a benefit is a vital aspect of any income protection policy. The major criteria will relate either to:

- loss of income
- performance of duties
- number of hours worked.

This loss will be based on the assessment of medical practitioners, specialists and accountants.

How much will it cost?

The investment you make in this form of insurance may be minimal when you compare it to the potential benefits you could be entitled to. In general, it will amount to a fraction of your income allocated to ensure you keep an income flowing in the worst of circumstances.

What if I'm not at work or on holidays?

One of the key benefits of a good income protection plan is that it offers cover regardless of where you are or when you become incapacitated. It gives you around the clock protection anywhere in the world.

Quality check

Be aware of what your policy offers. Is it an 'income based' style of claim criteria, a 'duties based' criteria, or an 'hours based' criteria? This is the critical factor in determining your ability to qualify for a benefit. Look for a policy that offers extra benefits if you are sick or injured away from home so that you have immediate financial resources during this difficult time.

What happens if I change jobs, leave work to have a baby, or go on a sabbatical?

While the general principle is to protect you while you are actively engaged in earning an income, there may be provisions which allow you to continue cover to some extent during periods away from work, or to suspend cover and recommence without further qualification after you return to work. The type of policy you take will specify how these conditions work.

Quality check

Be sure to assess the policy provisions in cases where you have to temporarily leave employment. Some policies may disqualify you from cover as soon as you leave paid employment.

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2010 Bongiorno Events:

We are still planning many, many events for 2010. The following are what we are planning.

JUNE

- Tuesday 15th - RMO Info Luncheon - Frankston Hospital
- Tuesday 29th - RMO Info Luncheon - Bendigo Hospital
- Wednesday 30th - RMO Info Luncheon - St.Vincents Hospital

JULY

- Thursday 1st - RMO Info Luncheon - Shepparton Hospital
- Friday 2nd - RMO Info Luncheon - Austin Hospital
- Friday 2nd - Monash Uni "Life in the Real World Seminar"
- Thursday 8th - RMO Info Luncheon - Geelong Hospital
- Friday 9th - RMO Info Luncheon - Sunshine Hospital
- Thursday 15th - Back To Base Presentation - Melbourne Dental School
- Thursday 15th - RMO Info Luncheon - Southern Health
- Friday 16th - RMO Info Luncheon - Footscray Hospital
- Tuesday 20th - RMO Info Luncheon - RMH Hospital
- Wednesday 21st - RMO Info Luncheon - Box Hill Hospital
- Thursday 22nd - RMO Info Luncheon - Southern Health
- Friday 30th - RMO Info Luncheon - Northern Hospital

AUGUST

- Tuesday 3rd - Tax Return Day - Geelong Hospital
- Thursday 5th - Tax Return Day - Frankston Hospital
- Friday 6th - RMO Info Luncheon - Alfred Hospital
- Sunday 8th - Melb Uni Medical - PreInternship Seminar
- Friday 13th - RMO Info Luncheon - RWH Hospital
- Saturday 14th - Notre Dame Clinical School Med Ball
- Friday 20th - RMO Info Luncheon - Maroondah Hospital
- TBA - Tax Return Day - Shepparton Hospital
- TBA - Tax Return Day - Bendigo Hospital
- TBA - Tax Return Day - Ballarat Hospital
- TBA - Tax Return Day - Melbourne Dental School
- TBA - Tax Return Day - Bendigo Dental School

NOVEMBER

- Tuesday 16th - Back to Base - Monash University Medical Grad Presentation

More dates will become available when confirmed. Please check our website for up-to-date events in Vic & NSW

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