

APRIL 2013 - UPDATE

PREPARE FOR SUPER CHANGES

In 2010 the Federal Government announced that the compulsory super guarantee rate will increase gradually from 9% to 12% beginning from 01 July 2013.

YEAR	RATE
2012-13	9.00%
2013-14	9.25%
2014-15	9.50%
2015-16	10.00%
2016-17	10.50%
2017-18	11.00%
2018-19	11.50%
2019-20	12.00%

HOW DOES IT EFFECT ME

BUSINESSES

These changes will affect any business that pays its employees more than \$450 per month. For your employees earning over this threshold, you will now have to increase your super contribution to 9.25%. This will mean that your business will need to factor in an extra 0.25% in wage expense for next year.

In order to be ready for these changes, employer should :-

- Update payroll and accounting systems to include this increase.
- Update your budget and expenditure to include this increase.
- Review your salary packages that include super as your employee will now receive 0.25% less in their pay each year.

REMOVAL OF SUPER GUARENTEE UPPER AGE LIMIT

From the 01 July 2013 the government has also removed the upper age limit on super guarantee payments.

This means that employers will now be required to make superannuation payments for eligible employees 70 years and over.

INDUSTRIAL RELATION CHANGES

DAD AND PARTNER PAY

Probably the most significant change is that from the 01 January 2013 the federal funder dad and partner pay will come into effect.

The pay will be up to two weeks' pay at the rate of the National minimum wage for working dads or partners (including adopting partners and same-sex couples). To be eligible dads or partners must be working during this time or must be on unpaid leave.

NOTE: Employers do not play a role in providing dad and partner pay. It is still important to be aware of these changes.

PRIVACY ACT

There have been major reforms made to the Australian privacy laws following the introduction of the Federal Privacy Amendment Act 2012, passed on 29 November 2012.

Most of these new provision will not come into effect until 12 March 2014.

Companies must reconsider the process in handling all personal information.

DISCRIMINATION LAWS

Changes are underway in the Senate. The aim of the bill is to replace all federal anti-discrimination laws and includes a reverse onus on proof and new areas on unlawful discrimination at work due to medical history, religion, political opinion, nationality and citizenship.

SPECIAL REPORT - PROTECTING YOUR FAMILY'S FINANCIAL WELL-BEING.

Why is it we all insure our new car, house and contents but never ourselves.

The first thing you do before driving a new car is get it insured. There's no way you would risk anything happening to your new car!

Most of us don't think twice about insuring our possessions, but what about protecting the most important asset- your family. If you were in an accident and couldn't work, how would you and your family afford your medical bills, as well as your mortgage and daily expenses?

Personal insurance is one of the best ways of protecting what's most important to you - your family.

The facts

- 6 out of 10 Australians with dependent children do not have sufficient life insurance cover to look after their loved ones for more than one year if they were to die
- 96% of Australian families lack enough life insurance to protect their families for 10 years or more, and
- only 4% of Australian families are adequately insured.

Life Insurance becomes a necessity if you have dependants who rely on you financially or if you have debts which need to be extinguished upon your death.

Immediate expenses to take into account include:

- medical or hospital costs
- funeral costs
- mortgage or other debts, and
- ongoing income for your dependants.

LIFE INSURANCE

Life Insurance provides peace of mind by paying a specified amount to your beneficiaries, ensuring that they are looked after in the event of your death or the diagnosis of a terminal illness. A lump sum or equivalent instalments can be paid to the policy owner, nominated beneficiaries or to your estate.

Did you know? Your life insurance policy can also be paid for from your Superfund.

The facts

- 90% of Australian adults have at least one modifiable risk factor for heart, stroke and vascular diseases.
- 1.1 million Australians are disabled long term by heart, stroke and vascular diseases.

Although these facts are confronting, we need to be aware of the risks of not be adequately insured to cover such events so our loved ones can continue on.

TPD INSURANCE

TPD insurance provides a lump sum payment or equivalent instalments if you become permanently disabled, as defined in the policy. Generally, a permanent disability means you can't work in your current occupation or a job you have trained or studied for, or previously worked in.

Why you need TPD insurance

TPD insurance can provide you with a lump sum of money to help eliminate debt, pay for treatment and maintain your lifestyle while you focus on adjusting to what may be a very different lifestyle. It's especially relevant for people with dependants - especially if only one spouse earns an income- and for people with mortgages and other significant debts which they couldn't pay with savings alone.

Did you know? Your TPD insurance policy can also be paid for from your Superfund.

The Facts

- Of the 1,500 people are killed or permanently injured on Australian roads annually with the majority aged between 26 and 59 years of age.
- One in every four women and one in every six men will be off work for more than six months because of a disability during their working lives

TRAUMA INSURANCE

Trauma insurance provides a lump sum benefit or equivalent instalments if you're diagnosed with a specific illness or injury covered by the policy (such as cancer, stroke, heart disease, blindness, severe burns, loss of speech or deafness).

The benefit amount, chosen by you, can be used to reduce debts, pay for medical expenses and maintain your lifestyle while you recover.

Why you need Trauma insurance Trauma insurance is especially important for families or those with

dependants, especially when only one spouse is working. Consider the consequences if one half of a couple become seriously ill and was unable to work. How would they cope with the mortgage and everyday expenses on top of medical costs for treatment and rehabilitation?

Trauma insurance provides funds for everyday living expenses and treatment costs. It may even allow you to make permanent lifestyle changes like returning to work part-time.

The Facts

- Deaths from cancer in 2010 totalled 43,000 in Australia as one in four women and one in three men will be diagnosed with the disease at some time during their lifetime.
- Although much is made of the fact that up to a third of Australians over the age of 45 retire early the majority do so because of ill health, not because they are financially independent

INCOME PROTECTION

Income Protection is the best way to protect your current income if you are unable to work due to illness or injury.

Income Protection insurance pays up to 75% of your gross annual income, in monthly payments, to cover your living expenses. Income protection premiums are generally Tax Deductible.

Why you need Income Protection Insurance

We often neglect to consider the need to protect our ability to earn the income that is essential to meet your day to day living expenses.

You should consider Income Protection if you have:

- Before reaching the age of 65, one in three employed people will be unable to work for three months or more as a result of injury or illness.
- The average Australian family requires 35.2 percent of their income to be put aside to pay their mortgage costs, and it takes an amount of around \$310 a week to bring up two children.

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