Simple lifestyle changes to make for a healthier you

Treat your body well and it may help you dodge cancer.

Here's some tips on how to create a healthier lifestyle:

"Cancer isn't always a matter of genetics or bad luck," says Professor David Whiteman of Brisbane's QIMR Berghofer Medical Research Institute.
A recent study from the institute found risky habits and behaviour are to blame for more than 16,000 Australians being diagnosed with cancer each year. The good news is that changing these behaviours may help prevent certain cancers forming.

The most common types of cancers that are directly related to lifestyle choices include skin melanomas, and lung, bowel, liver and stomach cancers. The key culprits causing these types of cancers include:

- tobacco smoking
- high intake of red and processed meat
- low intake of fruits and vegetables
- excessive exposure to UV light
- excessive alcohol consumption
- being physically inactive
- being overweight.

In other words, what we put in our bodies and how often we move them.

So, what changes can you make for a healthier lifestyle?

- Since the biggest cause of preventable cancer is smoking tobacco, your first mission is to speak to your doctor about options for cutting back or quitting smoking.
- Eat more fruit and vegetables and reduce your intake of red and processed meat –going vegetarian just two days per week may help you create a more balanced diet.
- Decrease your alcohol consumption – limit your drinks to special occasions or set yourself the challenging of nursing one drink per party.
- Exercise regularly – exercise may help reduce the risk of various physical and mental health problems. If you have a sedentary lifestyle, even committing to 15 minutes of walking a day could be a great start.
- Moderate your exposure to UV light – get your sunlight early in the morning or late in the afternoon and use a combination of protective clothing, shade and sunscreen.

(Source: RI ArticleHub)

How to cope financially with illness or injury

Bills still need to be paid even if illness or injury keep you out of work. But help is available if you need it.

Dealing with a serious illness or injury is stressful enough without having to consider how to cope financially. However, making sure you get everything you are entitled to and offsetting bill payments can help relieve some of the stress of an already traumatic circumstance.

Advocates
When you are injured or ill, it's easy to miss important information, so it's essential to have someone by your side who can listen, question and ensure your needs are met.
Choose someone you can trust, such as a close relative or friend, who can be your advocate, and help understand instructions from medical professionals as well as organise any medical payments.

Services
The available government services include the Department of Human Services or Centrelink.
In very limited circumstances, you may get early access to your superannuation on compassionate grounds if the illness or injury is catastrophic. You can apply through the Department of Human Services.
You might also like to contact Financial Counselling Australia to talk to someone who can provide free, unbiased information to help with your financial difficulties.

Employment
Ask your employer how much paid sick leave you have, whether you can take unpaid leave, and how long you can have off work. The Fair Work Ombudsman's Sick and Carers' Leave information covers your rights at work.

Insurance
Check your insurance policies, including any linked to your superannuation, to see if they provide income support or bill payment help. Types of insurance include:

- income protection, which provides an income if you are unable to work
- health insurance, which can help with medical costs
- total and permanent disability insurance, which can be included in your superannuation and covers the costs of rehabilitation, bill payments and living costs
- trauma cover, which covers specified illnesses or injuries.

Reach out
Open up about your circumstances to your debtors and ask for a hardship variation to your bills or a repayment plan that offers paying in instalments.

From setting up these repayment plans to choosing appropriate insurance, a financial adviser may help you take care of your finances while you're injured or ill, which means you can focus on recovering.
(Source: RI ArticleHub)

Retirement Advice Specialists

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In this Issue

Jeff's Jottings

Welcome to the Autumn copy of our Quarterly Newsletter. This edition is full of information on the recent budget that Malcom Turnbull and his government brought down. Have a read through the report as there is plenty of information in there to help you to understand all of the details of the budget. As always if you have any questions myself and my team of advisers are happy to answer them for you. Please remember that until all of these initiatives pass through Parliament and into law then they will still only be promises.

After a lovely Easter long weekend, the team headed to Canberra for the Annual RI Advice Group Conference. We were awarded with RI's Prestigious Platinum Award this year and the team were very proud to receive it on the first day of the conference.

The 21st to the 25th May was National Scams Awareness Week. Have a look at our Facebook page for some handy tips on avoiding the Scammers. And please remember to like our page!

We have had an update to our invoicing and payment system. Please refer to your invoices for the new payment options as we no longer accept payments at our Toowoomba office.
We apologise for any inconvenience, please see the ladies at reception if you need any assistance.

Hoping that all of our clients stay warm through what is supposed to be a cold winter this year, stay healthy and away from the winter colds and flus.

Kind regards,

Jeff English

CEO & Senior Financial Adviser

Federal Budget 2018-2019

On Tuesday 8 May, the federal government handed down its Budget for the 2018–19 financial year. This is the third Budget delivered by Treasurer Scott Morrison and is likely to be the final Budget before the next federal election.

According to the Treasurer, this year's Budget measures aim to provide tax relief to ordinary Australians, while supporting small-to-medium businesses and improving Australia's essential services. The Treasurer claims that these measures will help to end Australia's decade-long deficit and return a modest surplus of $2.2 billion by 2019–20.

Here are some of the announced Budget changes that could affect you. However, it's important to remember that these are only proposals at this stage, and each proposal will only become law once it's passed by Parliament.

Tax Changes
Seven-Year Personal Income Tax Plan
The government's three-point plan for personal income tax reform will be delivered over the next seven years as follows.

Step 1 from 2018-19:

- A new Low and Middle Income Tax Offset (LMITO) worth up to $530 p.a. will be introduced, in addition to the current Low Income Tax Offset (LITO).
- The top threshold for the 32.5% personal income tax bracket will increase from $87,000 to $90,000.

Step 2 from 2022-23:

- The top threshold for the 19% personal income tax bracket will increase from $37,000 to $41,000.
- The top threshold for the 32.5% personal income tax bracket will increase from $90,000 to $120,000.
- The LITO will increase from $445 to $645.

Step 3 from 2024-25:

- The 37% personal income tax bracket will be removed.
- The top threshold for the 32.5% personal income tax bracket will increase from $120,000 to $200,000.

What this could mean for you…
If you're eligible for the LMITO, it will be available each year from the 2018–19 financial year until the 2021–22 financial year. You'll receive the payment as a lump sum after lodging your tax return.

For more information about the proposed changes to tax thresholds and offsets, speak to your accountant.

Maintaining the Medicare Levy at 2%
In the 2017–18 Federal Budget, an increase in the Medicare Levy rate from 2% to 2.5% of taxable income was announced, which was legislated to take effect on 1 July 2019. However, the government has confirmed it will not proceed with this initiative and the Medicare Levy will remain at 2%.

What this could mean for you…
It was expected that the increased Medicare Levy would also cause increases to other tax rates linked to the top personal tax rate, including fringe benefits tax. As the Medicare Levy is remaining unchanged, these consequential increases won't take effect.

Extending Accelerated Depreciation for Small Businesses
From 1 July 2018, the government will extend the existing $20,000 instant asset write-off by a further 12 months to 30 June 2019 for businesses with aggregated annual turnover less than $10 million.

Assets valued at $20,000 or more that cannot be immediately deducted can still be placed into the small business simplified depreciation pool. These assets can be depreciated at 15% in the first income year and 30% each income year thereafter.

The pool can also be immediately deducted if the balance is less than $20,000 over this period (including existing pools).
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RI Connect Canberra 2018

Just after Easter the team headed to Canberra for the Annual RI National Conference. Once again, the team received the coveted Platinum Practice Award. The award is announced prior to the National Conference and is based on the performance of the team over the previous 12 months.

This year we had the opportunity to hear from some interesting speakers such as the Hon Peter Costello A.C., the Hon Dr. Brendan Nelson in his capacity as the Director of the Australian War Memorial and Kim Brennan AM Olympic Gold Medallist.

Listening to the speakers is always so inspiring and you get to see a small glimpse of what they have done to reach their goals in life.

On the last night of conference we attended the Annual Gala Dinner which was a good chance for us to get dressed up in our most glamorous outfits and network with other RI Advice offices from all over Australia. This year we were lucky enough to attend the Cartier Exhibition at the National Gallery of Australia with a private tour.

We always come home from conference feeling invigorated and motivated with all of the information that we have gathered and the inspiring speakers we have listened to.

What this could mean for you…
Under this measure, small businesses will be able to immediately deduct purchases of eligible assets costing less than $20,000 that are installed and ready for use before 30 June 2019.

Increasing the Medicare Levy Low-Income Thresholds
As of 1 July 2018, the government will increase the Medicare Levy's low-income thresholds for singles, families, seniors and pensioners for the 2017–18 income year.
Taxpayers entitled to seniors and pension tax offset will be increased to $34,758 as a individual, and $48,385 as a couple.

For all other taxpayers, the Medicare Levy threshold will be increased to $21,980 for individuals; and $37,089 for a couple or sole parent.

What this could mean for you…
You won't be charged the Medicare Levy if your taxable income is below the proposed thresholds.

Superannuation Adjustments
A Work Test Exemption For Retirees
From 1 July 2019, people aged 65–74 who have a total superannuation balance of under $300,000 will be able to make voluntary contributions for 12 months from the end of the financial year when they last satisfied the work test.

What this could mean for you…
This initiative will make it easier to keep contributing to super after you've left the workforce. For example, if you retire on 30 March 2020 and your super balance is below $300,000 on 30 June at the end of the year, you'll still be able to make voluntary contributions during the 2020–21 financial year. The usual concessional and non-concessional contribution caps will still apply.

Increasing the Maximum Self-Managed Super Fund (SMSF) Membership From 4 to 6 Members
From 1 July 2019, the Superannuation Industry (Supervision) Act will be amended to allow the number of members in new and existing SMSFs to increase from 4 to 6. This change will also apply to Small APRA funds (funds regulated by Australian Prudential Regulation Authority) .

What this could mean for you…
This initiative will provide more flexibility for larger families to be members of a single SMSF, but may also increase the risk of disputes among members. It's also important to consider the need for:

- multiple investment strategies to cater for members with different risk profiles
- a corporate trustee, to avoid the risk of additional trustee penalties and to address the increased risk of fund membership changes.

Introducing a Three-Year Audit Cycle for Some SMSFs
From 1 July 2019, SMSFs will have the option to move from an annual to a three-yearly audit cycle if they have:

- three consecutive years of clear audit reports, and
- lodged the fund's annual returns in a timely manner.

What this could mean for you…
If your SMSF has a good compliance and lodgement record, this initiative could make it cheaper to operate your SMSF, as it will remove the need for an annual audit. If a compliance breach does occur, however, it might not be detected for up to three years, potentially making it more difficult and expensive to rectify.

Measures for Older Australians
Increase To Pension Work Bonus - Effective 1 July 2019
The Pension Work Bonus encourages age/service pensioners to remain in the workforce by disregarding an amount of employment income from the pension income test.

Under current rules, the Pension Work Bonus allows pensioners to disregard up to the first $250pf of employment income. Under the proposed changes, the amount of employment income that will be disregarded will increase to $300pf.

Pensioners will continue to accrue unused amounts of the fortnightly Pension Work Bonus, which can exempt future earnings from the pension income test. The maximum accrual amount will increase from $6,500 to $7,800.

In addition, the Pension Work Bonus will be extended to earnings from self-employment.

Extending Eligibility To The Pension Loan Scheme
The Pension Loans Scheme is a voluntary reverse mortgage provided by Centrelink. Under current rules, the scheme allows clients to "top-up" their age pension up to the maximum rate where they receive a part pension due to the income or asset test, or do not receive an age pension under either the income or assets test (but not both). The amount of "top-up" payments are a loan secured against Australian real estate which must be repaid when the property is sold or the client passes away.

From 1 July 2019, the Government will expand the scheme by:

- extending eligibility to all clients of age pension age including maximum rate age pensioners, and
- increasing the maximum amount of "top-up" payments from 100% to 150% of the maximum rate of age pension.

Maximum rate age pensioners will be able to increase their income by up to $11,799 (singles) or $17,787 (couples) per year.

While the overall maximum amount of "top-up" payments is 150% of the maximum rate of Age Pension, the actual limit depends on the clients age, how long they intend to receive payments, whether they are single or partnered, the value of their home and the rate of Age Pension they receive. These restrictions ensure they do not have to pay back more than their home is worth.

Means Testing Of Pooled Lifetime Products
From 1 July 2019, new Age Pension means testing rules will be introduced for pooled lifetime income streams. Under the new rules:

- 60% of all income payments will be assessed as income, and

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- 60% of the purchase price will be assessed as an asset until age 84, or a minimum of 5 years, and then 30% of the purchase price will be assessed as an asset for the rest of the person's life.

The Government states that "the new rules will provide industry with the confidence and stability to develop innovative products that can help retirees manage the risk of outliving their income, while ensuring a fair and consistent means test treatment of all retirement income products. These changes also pave the way for the development of CIPRs."

Existing pooled lifetime income streams purchased before 1 July 2019 will be grandfathered.

The Government will require providers of retirement income products to report simplified, standardised metrics in product disclosure to assist customer decision making.

Comprehensive Income Products For Retirement (CIPR)
The Government will introduce a retirement income covenant in the Superannuation Industry (Supervision) Act 1993 requiring trustees to develop a strategy that would help members achieve their retirement income objectives.

The covenant will require trustees to offer Comprehensive Income Products for Retirement (CIPRs) which provide lifetime income streams.

The Government will release a position paper for consultation outlining its proposed approach to the covenant.

Expansion of Home Care - Effective 1 July 2019
The Government will increase the number of high level home care packages that will be available over the next four years by 14,000. This increase is in addition to the 6,000 high level home care packages that were previously announced

Residential Aged Care Funding - Effective 1 July 2018
The Government will increase funding for residential aged care and short-term restorative care places in 2018-19 by $60 million to support new places.

In addition, they will provide $82.5 million to support mental health services for residents of aged care facilities as well as $61.7 million to make the My Aged Care website easier to use with simpler assessment forms for people to access aged care services.

National Register of Enduring Powers of Attorney
As part of a range of measures to protect the rights of older Australians from abuse, the Government will work with the States and Territories to establish a National Register of Enduring Powers of Attorney.

New Income Test For Carer Allowance - Effective 20 September 2018
Carer Allowance will be subject to an income test from 20 September 2018. Currently Carer Allowance is a non-means tested payment.

Under the new income test, the combined income of the carer and their partner must be under $250,000 per annum.

The income test for Carer Allowance will be similar to the income test for the Commonwealth Seniors Health Card. It will assess the carer and their partner's adjusted taxable income for the previous financial year.

From 20 September 2018, existing Carer Allowance recipients as well as people submitting a new claim for Carer Allowance who do not receive an income support payment will be asked to provide their income details.

Carer Allowance Health Care Card only claimants and recipients will also be affected.
(Source: Colonial FirstState)

Are you Retirement Ready?

To be retirement ready, planning is key, and so is getting advice.

You can avoid pinching pennies in your retirement because you haven't saved enough money. But you need to plan well ahead.

Figure out how much you'll need
Start by find out how much income you will need by answering the following questions:

- What are your retirement goals?
- What kind of lifestyle do you want?
- What is your life expectancy?

While it's relatively easy to set goals and lifestyle expectations for retirement, estimating how long you will live can be tricky but is crucial to retirement planning decisions. It can help you decide on your asset allocation or when to stop working to ensure you have enough funds for your retirement.

Although there are tools that you can use for calculating life expectancy, your financial adviser may guide you through the process. Your adviser can also help you come up with an estimate of your required retirement income based on your lifestyle expectations, risk profile and life expectancy.

Ensure you'll have enough income
With an estimate of how much you'll need, your adviser can make recommendations to help you meet your required retirement income. These may include growing your retirement fund by investing some or all of it.
Investment products carry risks. It's important that you choose instruments that suit your risk appetite and need for returns.

If you prefer to have a regular and stable flow of income in retirement, there are options available for you. Seek professional advice on how this can be done and how you can get appropriate outcomes.

New Staff Members

We have welcomed 2 new staff members into our office this May.

Cassandra Martin

Cassandra has joined our Client Relations team and will be busy with the preparation of Annual Reviews. With her previous experience in the financial services industry, we know she will be a great asset to our team.

Cassandra has completed her Diploma of Financial Planning and is looking to complete her Advanced Diploma of Financial Planning in the near future.

Toni Cullen

Toni has also joined the Client Relations team in an administration role. Many of you will get to speak with Toni when she starts to make phone calls to arrange the Annual Review Appointments.

Toni has many years' experience in administration and comes highly recommended for her organisational skills and ability to quickly adapt to new work places after many years working on a contract basis.

We are very happy to welcome Cassandra and Toni to our friendly team.