

FEBRUARY, 2019

NEWSLETTER

Ageing and Aged Care in Australia

The number of people aged 65 and over in Australia is projected to more than double over the next 40 years¹. This will undoubtedly increase the need for aged care in the community and put pressure on families and Government funding. The Australian Government subsidises different types of aged care services to cater for older peoples' needs and to support their carers — usually their family. This is a sensitive and complex area and for more and more Australians is a decision they will need to make for themselves or a family member in the future. It makes sense to understand the process and plan ahead to ensure you and your family members receive the care they need, when they need it.



Over the next 2 newsletters we will touch on some of the aspects of this important stage of life, this month it is all about.....

Receiving Help at Home

Initially, for most people, receiving care at home is the most convenient and the least unsettling option. There are two levels of support.

1. Entry-level support: the Commonwealth Home Support Programme

The Commonwealth Home Support Programme (CHSP) can provide ongoing or short-term care and support services including planned respite care to give you or your carer a break, help with housework, personal care, meals and food preparation, transport, shopping, health and social support.

To access the CHSP, you need to have a home support assessment completed by a local assessor from a Regional Assessment Service (RAS)². The RAS assessor will work with

you to develop a support plan that reflects your entry-level aged care needs, goals and preferences.

The Government subsidises a range of services to keep fees affordable. An income and assets assessment is not required to access these services. You will simply need to discuss and agree any fees with the service provider.

2. Complex support: the Home Care Packages Program

When your aged care needs increase, you can be reassessed to receive a Home Care Package to meet your specific care needs within the home.

An Aged Care Assessment Team (ACAT) will assess your Home Care Package needs. There are four levels of Home Care Packages to meet an individual's needs ranging from basic to high.

The Government provides a different subsidy amount for each level of Home Care Package. You will need to contribute to the cost of your care if your income level, including any Age Pension that you or your partner receives, exceeds certain thresholds. This is called the Income-Tested Care Fee and it is capped at \$14.96 per day for part pensioners and \$29.92 per day for self-funded retirees.

On top of the Income-Tested Care Fee, you need to pay basic daily care fees of \$10.43 regardless of your income level.

Need or want to know more, contact us on 07 3883 8999 for an appointment to discuss your own needs.

Source: Executive Wealth Management

ATO Garnishees

A Four Corners and Fairfax investigation has thrown the Australian Taxation Office's (ATO) current approach to a routine debt collection practice under immense scrutiny. The ATO has long held the power to recover its debt through third parties of an entity with an outstanding tax debt. The mechanism used to enforce this right is a garnishee notice. According to Smart Company, a whistle-blower was reported to say that staff at the ATO were told "to start issuing standard garnishee notices on every case". The article goes on to say that the ATO denied this position in a statement; outlining that "it only issued 14,000 garnishee notices for small businesses in the past financial year, accounting for 0.5% of 'collectable debt cases'." The Minister for Revenue and Financial Services, Kelly O'Dwyer, called for an investigation into Four Corners and Fairfax investigation's claims. This article explains how ATO garnishee notices work in practice.



Legislation

The Taxation Administration Act 1953 provides the ATO with the power to recover tax related liabilities and certain other debts payable from third parties owing money to, or holding money for, a tax debtor.

The most common use of this mechanism is the garnishee of funds held in a Bank Account in the name of the tax debtor. This sees the account frozen for use, funds withdrawn and sent by Bank Cheque to the ATO. This process can be repeated until the full debt to the ATO is cleared.

There are however a number of other options open to the ATO.

A purchaser of land or property from a tax debtor

Where land or property is mortgaged, the garnishee notice will also attach to the amount required to pay out the mortgage. As a sale would be unlikely to proceed if a vendor is unable to payout the mortgage and provide a purchaser with clear title to the property. Sometimes the ATO require that the notice only applies to the part of the purchase price to be paid to the vendor after the loan to the lender has been cleared and the mortgage has been discharged.

Solicitors holding trust funds

A garnishee notice may be served on a solicitor (or solicitors) holding trust funds on behalf of a client however, the notice may not be effective if all such funds held in the Trust AC are required to cover costs due to the solicitors.

A company in which a tax debtor holds shares

This would entitle the ATO to receive any dividends payable to the debtor in respect of such shares.

Trade debtors

A garnishee notice may be served on a trade debtor or debtors of an individual or company.

If a garnishee notice is issued in respect of a tax debt and the tax payer subsequently enters some form of insolvency, the ATO will not ordinarily withdraw the notice and it will continue to be effective against an insolvency practitioner.

Source: Worrells Solvency & Forensic Accountants

Telstra eMail Scam Targeting Australian Customers

Security experts are warning of a sophisticated email scam targeting Telstra customers across the country. The email-based cyber-attack uses Telstra branding to trick customers into clicking a link that can infect their computer with a malicious file used to steal information.

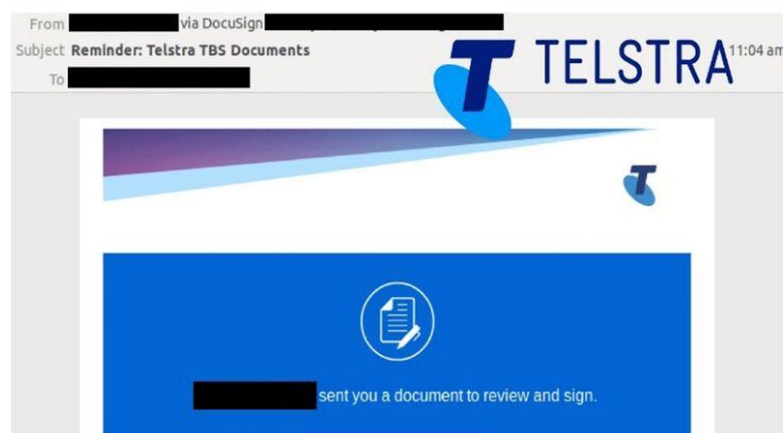
The email gives the appearance of being sent from Telstra and claims to have a document for customers to review and sign.

The email claims that a user from a Telstra Business Centre branch is the sender of the document, with their name used in multiple locations including the message body. To add legitimacy to the scam, the email also includes DocuSign branding to further convince users to click on links.

The inclusion of both Telstra and DocuSign logos and branding within the email makes it harder for recipients to identify the email as a scam as it appears as a legitimate notification. This highlights the importance of not accepting/clicking on documents from unknown senders, despite the organisation they purport to be from. All attachments/links should only be accessed when users are certain about the credibility of their owners.

Telstra offers information on its website warning customers of such scams, with the telco telling customers to be wary of “badly written emails with broken sentences”, “unaddressed or generically addressed emails” and “suspicious looking URLs”.

If a customer suspects they have been sent a scam email, Telstra advises to immediately delete it from their inbox. Customers can also submit the information to Telstra who will investigate the report.



Refinancing Traps to Avoid

Whether you're after lower repayments or want to tap into the equity sitting in your home, refinancing can offer a world of benefits. Here are some things to be aware of so that you don't find yourself hooked into a bad deal.



Don't be Fooled by the Interest Rate

Finding a lower interest rate doesn't necessarily mean you've scored yourself a better deal. In fact, a product with more features may cost you a bit more in fees or interest, but could save you more in the long run. Including features such as an offset account will prove valuable as it will allow you to make larger repayments or put any extra cash against the loan. Products without this feature may charge a fee for early repayments.

Honeymoon rates are just that

Don't be lured by offers with discounted introductory rates unless you've calculated the savings over the life of the loan. While a loan with a discounted interest rate seems a tempting offer, it's only temporary. Once the introductory period is over, the interest will revert to a higher standard variable for the rest of the loan term. It may be more beneficial financially to negotiate a lower interest rate without an introductory discount.

Be Aware of the Fees

One of the main purposes of refinancing is to lighten the financial burden, however, that doesn't mean that it's not going to cost you. There are many fees involved, which may include discharge and application fees, a valuation fee, land registration fee, and mortgage insurance. You may also be subject to stamp duty depending on what state your property is located in. While these cannot be avoided, you have to ensure that the costs involved are not higher than the savings, to make the process worthwhile.

While there are traps to avoid, a little expertise can take the stress out of refinancing to save you thousands, fund that renovation, or simply find a loan that suits your life a little better. Accountplan has its own Finance Brokerage underpinned by over 30yrs in the Australian banking industry.

Call us on 07 3883 8999 to discuss your own refinance requirements and options.

Accountplan Staffing Milestones and Changes

Monique Belz celebrates 13 years as an accountant with Accountplan.

Peter Anderson, our Senior Accountant, celebrates 16 years with Accountplan.

Charmaine Wilson, after 15 years with the company, moves from full-time to 4 days per week; Tuesday to Friday.

07 3883 8999
reception@accountplan.com.au
58 Klingner Rd Redcliffe Qld 4020 www.accountplan.com.au

Accountplan Taxation and Financial Services Pty Ltd
(ABN79609101037) is a registered Tax Agent 25383204

Accountplan Finance Solutions Pty Ltd (ABN22614700775) and Mick Doyle are credit representatives 495434 & 495495 of BLSSA Pty Ltd, ACN117651760 (Australian Credit Licence 391237).

Accountplan Financial Planning Pty Ltd ABN48609100978 is an authorised representative of Executive Wealth Management Financial Services Pty Ltd (AFSL 245451)