

News

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Reset your financial game plan for the next quarter!

Finals Fever: Time to Kick Financial Goals

As we shake off winter's chill and head into spring, September marks more than just the business end of footy season – it is also the perfect time to reset your financial game plan.

With the first quarter of the 2025–26 financial year already played, now is the time to assess your performance and build momentum for the next quarter.

Just like any team pushing for premiership glory, your business should be focused on:

- **Setting fresh business goals**
- **Revisiting your budgets**
- **Reviewing and refining your systems and processes**

Whether you are reviewing cash flow, investing in automation tools, or recalibrating your financial targets, a September strategy session could be the difference between scraping into the eight or storming into the Grand Final.

The game is changing fast and technology is now the midfield engine. With real-time accounting, businesses have access to live, accurate financial insights that enable smarter decisions on the go – no more waiting for the post-match review.

If you want to stay ahead of the competition, we are ready to be your off-field coaching team. We are passionate about helping clients thrive and would love to collaborate with you to build the systems and processes that keep your business informed in real-time. Contact our office if this is something you want to learn more about.

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Superannuation

How Will the Proposed Tax on Superannuation Balances Over \$3m Affect You?



Whilst (at the time of writing) the proposed tax on superannuation balances of over \$3 million is yet to pass parliament, the fact that it is proposed to commence from 1 July 2025 has raised many questions and concerns from superannuants.

Generally, it is wise to hold off taking drastic action until it is legislated, however there is no harm in understanding how it could affect you in the meantime.

Following is a table that illustrates the potential tax liability on varying balances and earning rates based on the Bill tabled in the last parliament (which the government has stated they have no intention on adjusting before tabling in the new parliament).

Some people may be surprised to realise the additional tax is not immediately significant where a superannuation balance is slightly over \$3 million.

That being said, below is a non-exhaustive list of considerations in determining what action to take (if any) regarding this new tax:

- Should tax deferred accounting be implemented, which may temporarily delay the full impact of the tax.
- Note that whilst the proposed start date is 1 July 2025, 30 June 2026 is the year end date in which the tax is calculated from.
- If a member's superannuation balance is under \$3 million at financial year end, no additional tax is levied for that year.
- Other investment vehicles are not subject to an effective tax on unrealised earnings (at this stage).
- Couples with less than \$3 million each in superannuation may be caught by the tax on the passing of one of them (depending on their estate plan).
- Withdrawing or reducing superannuation balances prior to death will reduce the "death tax" on benefits left to non-dependants (being 15%-30% of taxable balance of superannuation).

- Investment companies are not eligible for the 50% general capital gains tax discount.
- Growth assets held outside of superannuation will avoid tax on unrealised gains (at this stage).
- The timing and type of formal valuation of unlisted fund assets will have an impact on the tax.
- The regulatory compliance obligations on assets held outside superannuation are generally much less onerous.
- Superannuation splitting and equalising spouse balances may minimise the additional tax impost long term.
- What are the implications of any changes to investment holding structures on the estate plans?
- Are insurance bonds worth considering?

To summarise, it is generally accepted that the proposed tax is poorly designed and likely to have negative indirect consequences for the economy. Even if sound minds do prevail (and the tax is not legislated), or you are not immediately and materially affected by the tax, it is still wise to conduct a review of wealth strategies to minimise the tax burden in the future.

		Estimated Additional Tax Liability						
		Member Total Superannuation Balance At Financial Year End						
		\$2,999,000	\$3,010,000	\$3,100,000	\$3,500,000	\$5,000,000	\$7,000,000	\$10,000,000
% increase in total superannuation balance (after adjustments) during the proceeding year	-1%	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	0%	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	1%	\$0	\$15	\$149	\$743	\$2,970	\$5,941	\$10,396
	2%	\$0	\$29	\$294	\$1,471	\$5,882	\$11,765	\$20,588
	3%	\$0	\$44	\$437	\$2,184	\$8,738	\$17,476	\$30,583
	4%	\$0	\$58	\$577	\$2,885	\$11,538	\$23,077	\$40,385
	5%	\$0	\$71	\$714	\$3,571	\$14,286	\$28,571	\$50,000
	7%	\$0	\$98	\$981	\$4,907	\$19,626	\$39,252	\$68,692
	10%	\$0	\$136	\$1,364	\$6,818	\$27,273	\$54,545	\$95,455
	20%	\$0	\$250	\$2,500	\$12,500	\$50,000	\$100,000	\$175,000
	30%	\$0	\$346	\$3,462	\$17,308	\$69,231	\$138,462	\$242,308

New Superannuation Facts & Figures

From 1 July 2025

If you have been keeping an eye on your superannuation, you might be wondering whether the contribution limits are increasing this year. The answer is – not yet.

Two key caps that determine how much you can put into superannuation each year will stay the same from 1 July 2025.

Concessional Contributions

These are contributions made before tax – like employer contributions, salary sacrifice, or personal contributions that you claim as a tax deduction. They are taxed at 15% when they go into your superannuation fund (unless you are a high-income earner, in which case extra tax may apply).

And here is a bonus – if you have not used your full concessional caps in recent years and your total superannuation balance is under \$500,000 as at 30 June 2025, you may be able to use the catch-up (carry-forward) rule to contribute more.

Contact our office for assistance on calculating your “catch-up” contribution limit.

Non-Concessional Contributions

These are contributions made from your after-tax money. You do not get a tax deduction for these contributions, but they are a great way to boost your superannuation savings over time.

Plus, if you are under 75, you might be able to use the bring-forward rule to contribute up to \$360,000 in one go by using three years’ worth of caps. Just remember – eligibility rules apply, like your total superannuation balance and whether you have used this rule before.

For now, these caps are staying at \$30,000 for concessional contributions and \$120,000 for non-concessional contributions per financial year. If you were hoping to contribute even more, you will need to wait for a future increase.

So What Is Changing? The Transfer Balance Cap

Starting 1 July 2025, the limit on how much superannuation you can move into a tax-free retirement pension account will increase from \$1.9 million to \$2 million. This limit is called the transfer balance cap. This change means you can transfer more of your superannuation into a tax-free pension when you retire.

The money you withdraw from your superannuation pension (also called an account-based pension) is not taxed if you are 60 or over and the pension’s investment earnings are not taxed either. This can make a big difference to your savings in retirement.

If you have not started a pension before, the new cap of \$2 million applies to you in full. However, if you have already started one, your personal cap may be somewhere between \$1.6 million and \$2 million, depending on your past pension history.

In the end, this increase is great news for anyone thinking about retirement, giving you more room to grow your superannuation in a tax-free environment.

Why Does This Matter?

Even though the contribution caps are not going up, the increase to the transfer balance cap is a good reminder to check in on your superannuation strategy, especially if retirement is on the horizon.

If you are still working, now is a great time to make sure you are making the most of the current concessional and non-concessional contribution limits to build your superannuation while you can.

And if you are approaching retirement, consider how the higher transfer balance cap could open up more tax-free opportunities for your pension savings. It might be worth thinking about whether you should contribute more to your superannuation now to make the most of it later.



Need Help?

Superannuation can be complex, but you do not have to work it all out on your own. If you would like help understanding these changes or planning your next steps, please contact one of the licenced advisors at our office.



Planning

The Great Wealth Transfer

Over the next few decades, Australia is expected to witness one of the biggest intergenerational wealth transfers in history with between \$3.5 trillion and \$5 trillion changing hands as Baby Boomers pass on their wealth to children and grandchildren.

If you are expecting to inherit from your parents or grandparents, or you are thinking about the legacy you will leave to your loved ones, it is important to understand the tax traps and planning strategies that come with this enormous transfer of wealth. While there is no specific inheritance tax in Australia, there are other hidden tax pitfalls that can reduce the value of what is passed down.

The Tax Traps You Should Know

Capital Gains Tax (CGT)

Receiving cash does not attract tax but inheriting property, shares or other investments can trigger capital gains tax (CGT), depending on how and when those assets are sold. For example, if you inherit a home and it is sold within two years of the deceased's passing, the sale may be exempt from CGT – provided the home was the person's main residence.

If you keep the property for longer or it was being used to produce income, CGT could apply down the track when you sell.

Superannuation

Superannuation is another area full of complexity. When someone inherits super, whether or not they pay tax on it depends on a few things – like who they are and how the money is paid.

If the person receiving the superannuation is a “tax dependant” – for example, a spouse or a child under 18 – they usually will not have to pay any tax if the superannuation is paid as a lump sum.

However, if the person inheriting the superannuation death benefit is not a tax dependant (such as an adult child), your superannuation fund will withhold tax before paying the money out. This can range from 0% to 32% (including Medicare levy), depending on the type of contributions that were made to your account (e.g., concessional or non-concessional contributions).

Getting advice about how superannuation is structured and who your beneficiaries are can make a big difference in how much tax is paid.

Gifting Assets Before Death

Some people choose to give assets like property or shares to their children while they are still alive – either to help them out financially or to reduce the size of their estate. While this can be a thoughtful move, it can also lead to an unexpected tax bill.

That is because giving away certain assets (like an investment property or shares) is treated like selling them, which means

CGT may apply. The tax is worked out based on the difference between what the asset is worth now and what you originally paid for it, unless it is a pre-CGT asset.

However, if the person giving the gift has made a loss on other investments in the past, they may be able to use those losses to cancel out some or all of the gain, reducing or even eliminating the tax they have to pay.

This is why it is important to get advice before making any big gifts, so you know exactly what the tax consequences might be.

Trusts And Family Structures

Using a family trust or testamentary trust (a trust set up under a Will) can offer flexibility and tax savings. These structures allow more control over who receives income and when, which can help manage tax across the family group and avoid disputes. But they need to be set up correctly and in line with your wishes.

Tips To Protect Your Family's Wealth

- 1 Get your Will and estate plan in order – having a legally binding will is the foundation of a good wealth transfer plan. It is also wise to appoint a power of attorney and an executor who understands your wishes and has the emotional and practical ability to carry them out.
- 2 Talk openly with your family – the emotional side of inheritance is just as important as the financial side. Discuss your intentions early to avoid surprises and prevent family conflict down the line.
- 3 Understand the tax implications – do not assume everything passes tax-free. Ask questions about CGT, super and gifting, especially if you are likely to inherit property, shares or other non-cash assets.
- 4 Review your super nominations – make sure your beneficiaries are up to date and that you have completed the right type of nomination form (binding vs non-binding). This helps ensure your super goes where you want it to, without unnecessary tax or delay.
- 5 Seek professional help – the rules are complex, and mistakes can be costly. Getting the right advice from a professional who understands estate planning and tax can help you make smarter decisions and keep more money within your family unit.

Need Help Planning Or Receiving An Inheritance?

Whether you are planning your legacy or expecting to receive one, we can help you navigate the rules, reduce the tax and protect what matters most.

Good CGT Records Can Save you Money



Congratulations! Your investment has done well, and you are cashing in. You are happy, however that substantial capital gain has potentially brought with it a hefty tax bill. Here are some tips to help you hold onto more of your windfall.

How much did your investment really cost?

Good record-keeping is essential - it helps us ensure that you pay no more tax than you must. You probably already know that what you get paid for your investment is not necessarily your gain. Basically your “gain” on an investment is what you get less what it cost you, but do you really know what it cost you?

The most obvious cost to keep a record of is the asset purchase price or “acquisition cost” but there are some lesser-known costs that are often forgotten.

1. Incidental costs of acquisition

These are costs directly associated with acquiring the asset, including such things as:

- Fees paid to brokers, auctioneers, or accountants
- Stamp duty paid on the purchase
- Advertising costs incurred when acquiring the asset
- Conveyancing fees or conveyancing kit costs
- Brokerage fees if buying shares

2. Non-capital ownership costs

You can sometimes add certain ownership costs to your cost base if they were not previously claimed as tax deductions. These include:

- Interest on money borrowed to acquire the asset (but again, only if it has not already been used as a deduction on income)
- Maintenance, repair, or insurance costs
- Rates or land tax (if the asset is land)

3. Capital expenditure on improvements

Your expenses covering things to increase or preserve the value of the asset are also relevant. Some examples include:

- Costs incurred for zoning changes, whether successful or not.
- Capital improvements, such as renovations or structural changes.

4. Costs of establishing, preserving, or defending ownership

Hopefully you do not have too many legal expenses but if you do, they too can be taken off the gain. If you have incurred costs related to defending your ownership in court or any legal fees incurred in a dispute over title, keep a record of them as they will reduce the gain.

So you have identified all the costs, but can we further reduce the taxable gain?

That capital loss you made earlier in the year was not nice but there is a silver lining - it can offset that taxable gain. If it is not enough to wipe out the gain, dig deeper into your records to see if you have any unused capital losses from prior years.

Keep note of when you bought it

Capital Gains Tax was introduced on 20 September 1985, so if purchased prior to then, generally it is not taxable. If you bought it over 12 months ago only half the net capital gain (after costs and losses) is taxable. So, if you are thinking of selling an asset but have not held it for a year, you may wish to consider hanging on to it just that little bit longer.

Final thoughts

By understanding what the costs are and keeping thorough records, you can legally minimise your CGT liability. Speak to us about what things you should keep records of to take full advantage of any applicable deductions and exemptions.

Income Tax

Claiming Electric Vehicle Running Costs



Make the most of your EV!

With the rise in electric vehicle (EV) ownership, the Australian Taxation Office (ATO) has provided a “short cut method” for claiming the cost of charging an EV.

This allows eligible taxpayers to confidently calculate their deductions without needing to separate electricity bills in detail and still meeting record-keeping obligations.

To be eligible you must:

- Be utilising a zero-emission vehicle, not a plug-in hybrid, motorcycle, or scooter.
- The EV is used for work-related travel (for employees) or business purposes (for sole traders/contractors).
- The EV has the functionality to accurately report the percentage of the vehicles total charge by location (i.e., home vs commercial charging station).
- Charge the vehicle at your home (commercial charging stations are claimed separately with receipts).
- Complete a logbook to work out your business/work use percentage.
- Keep odometer records to show the total kilometres travelled in the income year.

The deduction is then calculated using the cents/kilometre rate of \$0.042 and applying it to the below formula:

Home Charging EV Deduction = Total annual kilometres x business/work use % x home charge % x \$0.042

As an example, let’s say an employed salesperson did 15,000 kms in his EV during the year. His logbook has determined a work use percentage of 60% and his EV calculated that his car was charged at home 80% of the time during the year. The tax deduction would be \$302, as follows:

$$15,000\text{kms} \times 60\% \times 80\% \times \$0.042 = \$302$$

The business/work related percentage of the EV’s other costs, including commercial charging station costs, can also be claimed on top. Unlike the cents/kilometre rate for standard cars, the Home Charging EV Deduction only relates to the electricity cost of running the EV.

If the EV is unable to accurately report the home charge percentage, the home charge percentage will be deemed to be 100%. In which case, no separate claim can be made for commercial charging station fees. In effect, any commercial charging station costs are to be ignored.

Please contact our office should you require further guidance on record keeping and calculation of motor vehicle tax deduction claims.

Top 5

Work From Home Questions

01 What is the fixed rate for tax time 2025?

The fixed rate for the 2024–25 income year is 70 cents per hour worked from home. This is a 3-cent increase from the 2023–24 year.

02 Is there a minimum number of hours to qualify for a working from home (WFH) deduction?

No, there is no minimum number of hours required to claim a WFH deduction. To claim these expenses, you must:

- Be working from home to fulfil your employment duties, not just carrying out minimal tasks, like checking emails or taking calls.
- Incur additional running expenses because of working from home.
- Have records that show you incurred these expenses.

03 What types of records do taxpayers need to prove their “total hours worked from home”?

- To use the fixed rate method, you will need to have records that show all of your hours worked from home between 1 July 2024 and 30 June 2025 (including your start and finish time, each time they worked from home). This can be recorded through a diary, spreadsheet, rosters or time sheets.
- The record of hours must be made at the time you work from home, or as soon as possible afterwards. The Tax Office will no longer accept an estimate or a representative record.
- If using the actual cost method, you will need a record showing a continuous 4-week period that represents the usual pattern of working at home – for example, a diary.

04 What is a practical way to prove work use of my phone?

- If you use the fixed rate method to claim your working from home expenses, you cannot claim a separate deduction for your phone calls and internet usage. These expenses are included in the fixed rate per hour.
- If you are planning to use the actual cost method to claim your working from home expenses, you will need to calculate your work-related percentage of phone calls and data usage on a reasonable basis.
- Keeping a spreadsheet or diary for a continuous 4-week period is the easiest way to work out the deduction. This can be paper or electronic records that show how you calculated the percentage of work-related use (e.g., number of phone calls made, or time spent using the internet for work versus private use).
- A record of a continuous 4-week period representing work use can then be used across the rest of the income year to calculate the full deduction.

05 Can an employee claim rent as part of the actual cost method if they work from home full-time?

An employee working from home generally cannot claim for occupancy expenses such as rent, insurance or mortgage interest – except in limited circumstances where you have an area of your home set aside as a “place of business”. If you are intending to claim occupancy expenses, there may be capital gains tax (CGT) implications for your home.

General

Age Pension Means Test Changes

Starting 1 July 2025, Age Pension means test thresholds will increase, potentially boosting eligibility and payments for retirees. These changes, announced by the Department of Social Services, aim to keep pace with inflation and living costs. Here is a quick overview of how these changes may impact you.

What Are The Age Pension Means Tests?

The Age Pension, available to residents aged 67 and over, uses income and assets tests to determine eligibility and payment amounts. The test that results in the lower pension payment applies. If your income or assets exceed certain thresholds, you may not qualify for a pension or only receive a part pension. From 1 July 2025, these thresholds are rising, meaning more people may qualify for a full or part pension, and current part-pensioners could see higher payments.

Income Test Changes

The income test assesses earnings from sources like wages, interest, dividends and rental income. Centrelink uses deeming rates to estimate income from financial assets like bank accounts, managed funds and shares. From 20 September 2025, the deeming rates for singles will be 0.75% on the first \$64,200 and 2.75% above this amount.

From 1 July 2025, the income test thresholds will increase slightly. The new figures are illustrated in the table below.

Table 1: Fortnightly income test thresholds

Situation	Maximum	Cut-off*
	1 July 2025	1 July 2025
Single	\$218	\$2,516
Couple (combined)	\$380	\$3,844

*rounded down to nearest dollar

Singles can now earn \$218 per fortnight (\$5,668 annually) for a full pension and up to \$2,516 (\$65,416 annually) for a part pension from 1 July 2025.

Each dollar above the lower threshold reduces pension entitlements by 50 cents for singles and by 25 cents for couples. This does not consider the Work Bonus which lets pensioners earn up to \$300 per fortnight from work without affecting their pension.



Assets Test Changes

The assets test evaluates your assets such as shares, bank accounts, investment properties, etc. However, it excludes your family home. The new thresholds from 1 July 2025 are illustrated in the table below.

Situation	Homeowner		Non-homeowner	
	Full pension	No pension	Full pension	No pension
Single	\$321,500	\$704,500	\$579,500	\$962,500
Couple (combined)	\$481,500	\$1,059,000	\$739,500	\$1,317,000

From 1 July 2025, a single homeowner may receive the full age pension if their assets are below \$321,500 and a part pension if their assets are below \$704,500. A couple who are homeowners may have up to \$481,500 in assets (combined) and may receive a part pension if their assets are below \$1,059,000. Non-homeowners can have more assets before their pension is reduced.

What This Means For You

The changes to the Age Pension means test thresholds could significantly impact your retirement income, depending on your financial situation. The increased income and asset thresholds mean more retirees may qualify for the Age Pension or receive a higher part pension.

Remember that your Age Pension entitlement is determined by the lower of the income and asset test. If either test results in zero, you are ineligible. If you would like to learn more about your Age Pension entitlements, please give us a call.