

2018 Federal Budget

SUMMARY - MEDICAL AND DENTAL



Top 15

BUDGET MEASURES FOR MEDICAL AND DENTAL PRACTITIONERS

1

SEVEN-YEAR PERSONAL INCOME TAX PLAN

A seven-year Personal Income Tax (PIT) Plan will be implemented in three steps, to introduce a low and middle income tax offset, to provide relief from bracket creep and to remove the 37% PIT bracket. This will provide a benefit of up to \$530 pa to low and middle income taxpayers from 2018/19.

2

MEDICARE LEVY REMAINS AT 2%

The Medicare levy low-income thresholds for singles, families, seniors and pensioners will be increased from the 2017/18 income year. The 2017/18 Federal Budget measure to increase the Medicare levy from 2% to 2.5% of taxable income from 1 July 2019 will not proceed.

3

\$20,000 IMMEDIATE ASSET WRITE-OFF EXTENDED

Businesses with an aggregated turnover of less than \$10m will continue to have access to the \$20,000 instant asset write-off for another 12 months. A small business will get an immediate deduction for assets costing less than \$20,000, and installed and ready for use before 30 June 2019.

4

SMSF MEMBER LIMIT INCREASE

The maximum number of members allowable in self-managed superannuation funds (SMSFs) and small APRA funds will increase from 4 to 6 from 1 July 2019. This will allow more family members to be part of a SMSF.

5

SUPER WORK TEST EXEMPTION FOR RECENT RETIREES

An exemption from the work test for voluntary contributions to superannuation will be introduced from 1 July 2019 for people aged 65-74 with superannuation balances below \$300,000, in the first year that they do not meet the work test requirements.

6

DEDUCTIONS FOR VACANT LAND TO BE DENIED

From 1 July 2019, tax deductions will not be allowed for expenses associated with holding vacant land. This is to address concerns that deductions are being improperly claimed for expenses, such as interest costs related to holding vacant land where the land is not genuinely held for income producing purposes.

7

TESTAMENTARY TRUSTS

From 1 July 2019 the concessional tax rates for the income of minors from Testamentary Trusts will not be available for trust assets unrelated to the deceased estate.

8

CASH PAYMENT LIMIT

In an effort to reduce tax evasion, business can no longer receive cash payments above \$10,000 for goods and services from 1 July 2019.

9

AGED CARE

Additional funding will go towards access for Aged Care for older Australians. The funding package includes 14,000 new high level home care packages over four years from 2018/19 and 13,500 residential aged care places in 2018/19. The government is also look to "streamline the assessment process for aged care services".

10

SUPER GUARANTEE

From 1 July 2018, employees with more than one job and income greater than \$263,157, will be able to nominate that certain employers are not to make Superannuation Guarantee Contributions (SGC) on their behalf. This means that the Salary Package of some employees could be renegotiated to include the 9.5% SGC as a Salary or Wage.

11

\$1.3B NAT. HEALTH & MEDICAL GROWTH PLAN

A \$1.3 billion National Health and Medical Industry Growth Plan designed to generate economic returns and accelerate Australia's competitive advantage as a global health industry leader in the medical technology, biotechnology and pharmaceuticals sectors. This includes a ten-year \$500 million commitment to the Genomics Health Futures Mission.

12

\$30B IN PUBLIC HOSPITALS

A new five year public hospital agreement with the states and territories that will deliver more than \$30 billion in additional funding from 2020. This is a 30 per cent increase over the previous five years and takes the total funding to \$128 Billion in funding over the next five years.

13

GPS FOR RURAL AUSTRALIA

A new initiative that will facilitate more Australian trained Doctors in Regional Australia.

14

FEWER OVERSEAS DOCTORS

Australia will admit 200 fewer overseas doctors a year, to take effect from next January. The number of new overseas doctors is targeted at 2,100 each year.

15

DOCTOR FULL TRAINING IN REGIONAL NSW/VIC

The Government will provide \$95.4 million for the establishment of a Murray-Darling Medical Schools Network that will see new training facilities established to support medical student training. This is aimed at allowing students to undertake most of their education and training in rural areas to provide a continuum for doctors to learn, train and work in the regions.

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