

### The End is Nigh...

Winter is officially here. I know this because I am snuggled under blanky with my bed socks on as I write this. Blanky and bed socks also signify the end of the financial year, and the time when politicians promise us all kinds of excitement (by their standards) in the annual budget - and since this is an election year, the excitement just doesn't end (again, it's comparative). Two new (ish) things to tell you about, both of which you should be happy to see! And while we all get snuggly... Happy Freelancing!

Monica



### Freelance F A Qs

Dear Monica,  
*Someone told me there are changes to superannuation for self-employed people mentioned in the May budget. What are they, and should I get excited?*

B.B

Definitely get excited if retirement is part of your plan. Until now self-employed people have been able to claim *some* of our own super contributions as a tax deduction. The changes mean that, for most of us, *all* of our contributions will be a tax deduction after July 07.

More exciting than that, though, is the proposition that we will now be eligible for the Government's Super Co-contribution payment. If you are self-employed and earn under \$58000 a year, this could be you.

For every dollar you put into your own super account, the Government could put in up to \$1.50 for you. The Government contribution depends on how much you earn and goes up to \$1,500 in a year. To figure out your eligibility, you need to add work out your assessable income. Visit [www.ato.gov.au/bettersuper/self.htm](http://www.ato.gov.au/bettersuper/self.htm) for more info about all this excitement!

Fancy an answer? Email [faq@freelancesuccess.com.au](mailto:faq@freelancesuccess.com.au) and we'll get back to you!

### Feature Article: STS and ETO: Tax Excitement

I get more excited than most non-accountants about tax issues but this time I think we'll all be happy. Changes to the Simplified Tax System (STS) means that self-employed creatives can actually benefit, at last, from changes to traditional business.

The STS is voluntary if you fill in the right bit in your next Tax Pack. To be eligible you need to be a small business with an ABN, and have a turnover of less than \$1 million a year (which is probably you. If you make more than this, drinks are on you!).

The Entrepreneurs Tax Offset (ETO) is just one of the tasty treats awaiting you if you decide to join the STS. This is so cool and useful it's almost as if it wasn't invented by politicians.

If you are part of the STS and earn less than \$75000 from your business this financial year, you might be eligible for up to 25% rebate from the income tax you have to pay.

The best bit is you can still have income from another source, like a 'proper' part-time job, which means you won't suffer too much for being neither fully freelance nor fully employed.

First, you work out your taxable business income for the year. Let's say it's \$50000.

The amount of tax you'll have to pay is roughly \$10350, based on marginal tax rates.

25% of this is \$2587.50, the full offset available under the STS system. If you offset this from the tax payable, you only have to give the ATO \$7762.50 in PAYG income tax.

If you have other income as well, you may not be entitled to the full deduction. It's important to discuss all of this with your accountant and/or the ATO when tax time comes around.

If you have been making PAYG Instalments through the year, you'll get the best out of this new scheme. Any instalments already made are not taken into account, so it's possible you'll pay too much income tax through the year before the offset. If that's the case, say a big smoochie hello to your sexy substantial refund, it's probably on its way!

For more information, visit [www.ato.gov.au](http://www.ato.gov.au) and search for **Entrepreneurs Tax Offset**. If your accountant hasn't mentioned it, by the way, ask why!

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# AdHoc

The Freelance Success Newsletter

### What's Up Freelance Success?

#### ◆ Changes to Workshops

Things are getting very busy around here, both with freelance things and my other stuff, so I'm reducing the number of workshops coming up in the future. Only two will be offered in Sydney between now and the end of the year, one in the evenings and one on Saturdays. Stay tuned for the next evening class, starting in August.



#### ◆ Freelance Success meets the AFTRS...

Part of my upcoming busyness is the result of an exciting new collaboration which will see a version of the *Freelance Success* workshop being presented for filmmaking students at the AFTRS. We're all very chuffed about this, and our first "off-broadway" season starts in Melbourne in late August.

#### ◆ I'm off to Ole Blighty!

... and I need some help. I'm going over to conduct research for the UK version of the *Freelance Success* book, and I need contacts for creative freelancers working in the UK. I don't care what profession they're in, as long as they're arty and working for themselves. Email me if you know of anyone ([monica@freelancesuccess.com.au](mailto:monica@freelancesuccess.com.au)) and I'll be eternally grateful. I'll even buy you a tacky souvenir as a way of saying thanks!

Next mailout... Friday 6th July 07  
Live from Jolly Old England!

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Business Skills for Creative People.

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