

Money [Ask an expert](#)

This was published 5 years ago

## The difference between an accountant and a tax agent



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November 3, 2017 – 1.20pm

Personal finance expert Noel Whittaker answers your money questions.

**I am over 70. This year I stopped travelling to my accountant to have my tax return done and instead went to a registered tax agent who has a prominent office. Would you give me your opinion as to whether I did the right thing? How old does one need to be before we stop lodging a tax return if our income is \$51,000 and below.**

There is no age over which you no longer have to lodge income tax return – it is a question of whether you receive taxable income or are entitled to a refund of tax paid.



Illustration: Simon Letch

Anyone who charges a fee to prepare income tax returns has to be a registered tax agent – no accounting qualification can override this requirement.

Tax agents are registered by the government, and need to be of good character, keep up to date, and have professional indemnity insurance. They also have to have completed relevant courses in tax law, have at least 12 months' supervised experience preparing income tax returns, and lodge a variety of tax returns each year.

The key is to find a good one. If they do not ask a lot of questions, or encourage you to ask questions, it may be a sign they don't have confidence in their knowledge or ability to answer what comes out of a discussion. This should be more of a concern than whether they call themselves an accountant or a tax agent.

**In the 2017/2018 tax year if both a husband and wife have taxable incomes below \$37,000 can they each make a \$3000 contribution to the other's super fund and claim the \$540 tax offset or can only one partner take advantage of this option?**

The spouse contribution tax offset can be claimed by each member of the couple. If both of them are on a low to medium income, and can qualify, they can each get an offset of \$540 if they each make a spouse contribution on behalf of each other.

**Can you please explain how the government guarantee for bank savings up to \$250,000 works and what accounts and entities are covered? In what circumstances would this guarantee be used and is it reliable to get 100 per cent of your money back in a timely period? How careful do you think consumers should be about not having more than \$250,000 in any one bank/credit union, and is it worth the effort and security to spread funds across different entities?**

The Australian government has guaranteed deposits up to \$250,000 in authorised deposit-taking institutions (ADIs) such as banks, building societies and credit unions. This means that this money is guaranteed if anything happens to the ADI. The cap applies per ADI so a person would be fully protected if there were \$250,000 in two institutions but only \$250,000 would be protected if there were \$500,000 in one institution.

Just bear in mind that if a bank went broke the shareholders would be the last to be paid. This means the shares in a bank that did go broke would become worthless – imagine the effect on the sharemarket and everybody's superannuation if that happened. In my mind, a much bigger risk is leaving too much money in cash or term deposits where its value is being continually eroded by inflation and often by income tax.

**If my spouse and I die at the same time with each other as binding beneficiaries of our respective super amounts what would happen to our super payouts? We have two now non-dependent children and obviously want to legally keep the Tax Office from taxing the amount.**

In the situation you mention, the trustee of your fund will decide where the assets go. And, yes, if they are non-dependents, the death tax of 15 per cent plus Medicare levy would be applied to the taxable component of your superannuation accounts. The only way out is to withdraw the money tax-free before you die. If you are envisaging a situation where you may both die in an airline crash, keep in mind that life insurance is fairly cheap to cover that contingency.

*Noel Whittaker is the author of Making Money Made Simple and numerous other books on personal finance. His advice is general in nature. Readers should seek their own professional*

*advice before making decisions. Twitter: [@noelwhittaker](#)*

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