

GST and general insurance continued from page 22

Section 78-25 provides that a supply that an insurer makes in settlement of a claim is not treated as a taxable supply. This means that the insurer is not liable for GST on the amount of the claim that is released or discharged by the claimant.

If the policy holder was not entitled to an input-tax credit for the policy premium, the insurer is entitled to a GST adjustment (a decreasing adjustment) under section 78-10 that has the same impact as if the insurer could have claimed an input tax credit on the settlement amount.

#### Decreasing adjustment on settlements

Division 78 also provides for a decreasing adjustment for insurers in respect of such payments or supplies made in settlement of a claim. Certain conditions that are stated in section 78-10 have to be met for a decreasing adjustment to be available. The insurance company needs to know, before the policy holder makes a claim, whether the policy holder is entitled to claim an input tax credit on the insurance premium.

If there is no entitlement to claim a full input tax credit for premiums paid on the insurance policy, the insurer is entitled to a decreasing adjustment of 1/11<sup>th</sup> of the settlement amount under subsection 78-15(1). On the other hand, if there is entitlement to a full input tax credit for premiums paid, the insurer is not entitled to a decreasing adjustment under subsection 78-10.

1 GST Act, section 78-5.

# CALTEX STARCARD MEMBER OFFER

The Law Society Northern Territory is pleased to offer members access to the Caltex StarCard which entitles practitioners to a range of services and discounts not available individually.

Caltex Australia was selected as the successful tenderer by the Law Society of NSW to supply discounted fuel to all Law Societies in Australia. There are substantial benefits for members who choose to use the card, including:

- The lower of a discount of 4.40 cents\* per litre off the card price or the pump price at the time of purchase for unleaded petrol if the card price is cheaper than the pump price on the day. Otherwise, the pump price will be charged. To check the card price, visit the Caltex website at [www.caltex.com.au](http://www.caltex.com.au).
- A discount of 2.20 cents\* per litre off the pump price for premium unleaded.
- Caltex StarCard can be used at over 2,400 locations nationwide. These locations include Caltex and Ampol, and the independent sites of 7/11, Bogas, Gas N Go, Quick and Solo if an agreement has been made with the individual service stations.
- A full listing of all StarCard accepting locations is available by visiting the Caltex website at [www.caltex.com.au](http://www.caltex.com.au). A detailed

monthly invoice that is approved by the ATO for the reporting of expenses, including GST.

- Choice of 'vehicle' or 'driver' specific card. Vehicle cards are excellent where costs need to be tracked against a vehicle. Driver cards are ideal for recording Fringe Benefits liability per person and where an employee receives a vehicle allowance rather than a vehicle.
- Members can also apply for a Gold StarCard, which can be used for regular servicing, and replacement of worn items at over 2,500 merchants, and have them reported on their StarCard monthly statement. The fuel discounts detailed above also apply to the Gold StarCard.
- No application, set up or report fees.
- Payment is by direct debit on the 21st day of the month following usage.
- Monthly fee of \$4.40\* per card for the first two StarCards per member account and \$2.20\* per month for each additional card. Gold StarCards are \$4.40\* per month per vehicle.

Application forms will be distributed to all members with their practising certificate and member packs in October 2000. Additional copies are available from the Law Society Northern Territory.

\* inclusive of GST

## QANTAS DISCOUNTS ON TRAVEL

If you are a Law Society member registered with Qantas to receive fantastic rebates on your travel, then the following deals will be even more attractive.

Qantas has extended the "Go Global" International Sale for purchase up until 30th September for those wishing to commence their travel from 7 October 2000 to 30 November 2000. Conditions apply, but fares are as low as \$619 return Darwin Singapore and \$1599 Darwin to UK and Europe.

To book your trip contact 8982 3366 and identify yourself as a member of the Law Society Northern Territory Qantas deal and you will have your quote reduced again by the appropriate amount.

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For more details on how to register look out for your practising certificate

renewal packs or ring the Law Society office on 8981 5104 or Mandy Bluett at Qantas on 8982 3386.



Mandy Bluett at Qantas can answer your questions on the Law Society Qantas scheme