Warringal Financial Services

FPA PROFESSIONAL PRACTICE
FINANCIAL PLANNING ASSOCIATION of AUSTRALIA

Smart End of Financial Year (16/17) Strategies

12 strategies specifically designed for you.

“Now or sometime in the future, wouldn’t you rather be prepared with the right information and the correct advice to help make the right decision at the right time about your wealth accumulation and lifestyle protection needs?”

These “Smart End of Financial Year strategies 2016/17” outline a range of ways you may be able to boost your super, plan for your retirement and protect your income and family.

It explains:

- How topping up super could help you maximise your pre-tax salary or business income
- The government benefits that may be available to you or your spouse when making after-tax contributions
- How insurance inside super can make your insurance cover more affordable
- How you could benefit from pre-paying tax deductible expenses
- Ways to manage capital gains tax on investments.

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Smart End of Financial Year strategies 2016/17

Another challenging financial year. Bringing you new opportunities.

With the end of the financial year approaching, it's a great time to make smart decisions about your finances. Taking action before 30 June can open up more opportunities for you.

We know that there isn't a one-size-fits-all solution to wealth management. So we've outlined 12 tax-effective strategies that you could benefit from. We can help you find what strategies are right for you, so you can benefit now and also save your retirement.

Super strategies[1]	If you ...	You may want to ...	So you can ...
1. Get more from your salary or bonus	are an employee	sacrifice your pre-tax salary or bonus into super rather than receive it as cash	• reduce tax on your salary or bonus by up to 34% • take advantage of the higher contribution cap that applies in this financial year
2. Make tax deductible super contributions	earn less than 10% of your income[2] from eligible employment (eg you are self-employed or not employed)	invest in super by making personal contributions	• claim your contribution as a tax deduction • take advantage of the higher contribution cap that applies in this financial year
3. Make after tax contributions to super	have an investment in your own name	cash out the investment and use the money to make a personal after-tax super contribution	• reduce tax on investment earnings by up to 34% • take advantage of the higher contribution cap that applies in this financial year
4. Use super to manage Capital Gains Tax	make a capital gain on the sale of an asset this financial year and earn less than 10% of your income[2] from eligible employment	invest some or all of the sale proceeds in super	• claim a portion of the contribution as a tax deduction • take advantage of the higher contribution cap that applies in this financial year
5. Get a super top up from the Government	earn less than $51,020[2] pa, of which at least 10% is from employment or a business	make a personal after-tax super contribution	• qualify for a Government co-contribution of up to $500 • increase your retirement savings
6. Boost your partner's super and reduce your tax	have a spouse who earns less than $13,800[2] pa	make an after-tax super contribution on your spouse's behalf	• receive a tax offset of up to $540 • increase your spouse's retirement savings

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Smart End of Financial Year Strategies for 2016/17

Insurance strategies	If you ...	You may want to ...	So you can ...
7. Buy insurance through super tax-effectively	• are eligible to make salary sacrifice super contributions, or • are eligible to receive Government co-contributions, or • have a spouse who earns less than $13,800[2] pa, or • earn less than 10% of your income[2] from eligible employment	purchase life and total and permanent disability insurance in a super fund	• benefit from tax concessions • make premiums more affordable
8. Pre-pay income-protection premiums and reduce this year's tax	are employed or self-employed	pre-pay 12 months' income protection insurance premiums	• claim your tax deduction upfront • pay less income tax this financial year
Investment strategies	**If you ...**	**You may want to ...**	**So you can ...**
9. Offset a capital loss against a capital gain	have received capital losses from your investments	utilise the capital losses against any capital gains	• manage tax on your investments more efficiently
10. Defer asset sales	are thinking of selling a profitable asset this financial year	defer the sale until a future financial year	• manage your tax on your investments more efficiently
11. Pre-pay investment loan interest	have (or are considering establishing) a geared investment portfolio	pre-pay 12 months' interest on your investment loan	• manage your cashflow more efficiently • potentially pay less income tax this financial year
12. Make better use of your tax refund	receive a tax refund	use your refund to: • pay off non-deductable debts • pay off your home loan and then borrow to invest • fund your daily living expenses and contribute your pre-tax salary into super	• save on interest • invest your refund outside of super •

Note: To use strategies 1 to 7, you generally need to be eligible to make super contributions. Furthermore, you won't be able to access your super until you satisfy a condition of release.

1 Super strategies should be in consideration of concessional and non-concessional caps. Penalties may apply if these caps are exceeded.

2 Includes assessable income, reportable fringe benefits and reportable employer super contributions. Other eligibility conditions apply.

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Important Information

The Information contained in this brochure is of a general nature only.
It is intended to provide general information only and does not take into account any particular person's objectives, financial situation or needs. Because of this, you should, before acting on any information in this document, speak to a financial adviser and/or taxation professional before so they can help you assess which year-end strategies suit you best.

The tax estimates provided in this publication are intended as a guide only and are based on our general understanding of taxation laws. They are not intended to be a substitute for specialised taxation advice or a complete assessment of your liabilities, obligations or claim entitlements that arise, or could arise, under taxation law, and we recommend you consult with a registered tax agent.