



## Smart End of Financial Year strategies 2014/15

### 12 Tax-effective strategies

Super strategies <sup>2</sup>	If you ...	You may want to ...	So you can ...
<b>1. Get more from your salary or bonus</b>	are an employee	sacrifice your pre-tax salary or bonus into super rather than receive it as cash	<input type="checkbox"/> reduce tax on your salary or bonus by up to 34% <input type="checkbox"/> take advantage of the contribution cap that applies in this financial year
<b>2. Make tax deductible super contributions</b>	earn less than 10% of your income <sup>1</sup> from eligible employment (e.g. you are self-employed or not employed)	invest in super by making concessional contributions	<input type="checkbox"/> claim your contribution as a tax deduction <input type="checkbox"/> take advantage of the contribution cap that applies in this financial year
<b>3. Make after tax contributions to super</b>	have an investment in your own name	cash out the investment and use the money to make a personal after-tax super contribution	<input type="checkbox"/> reduce tax on investment earnings by up to 34% <input type="checkbox"/> increase your retirement savings
<b>4. Use super to manage Capital Gains Tax</b>	make a capital gain on the sale of an asset this financial year and earn less than 10% of your income <sup>1</sup> from eligible employment	invest the sale proceeds in super	<input type="checkbox"/> claim a portion of the contribution as a tax deduction <input type="checkbox"/> increase your retirement savings
<b>5. Get a super top up from the Government</b>	earn less than \$49,488 <sup>1</sup> pa, of which at least 10% is from employment or a business	make a personal after-tax super contribution	<input type="checkbox"/> qualify for a Government co-contribution of up to \$500 <input type="checkbox"/> increase your retirement savings
<b>6. Boost your partner's super and reduce your tax</b>	have a spouse who earns less than \$13,800 <sup>1</sup> pa	make an after-tax super contribution on their behalf	<input type="checkbox"/> receive a tax offset of up to \$540 <input type="checkbox"/> increase your spouse's retirement savings
Insurance strategies	If you ...	You may want to ...	So you can ...
<b>7. Buy insurance through super tax-effectively</b>	<input type="checkbox"/> are eligible to make salary sacrifice super contributions, or <input type="checkbox"/> are eligible to receive Government co-contributions, or <input type="checkbox"/> have a spouse who earns less than \$13,800 <sup>1</sup> pa, or <input type="checkbox"/> earn less than 10% of your income <sup>1</sup> from eligible employment	purchase life and total and permanent disability insurance in a super fund	<input type="checkbox"/> benefit from tax concessions <input type="checkbox"/> make premiums more affordable
<b>8. Pre-pay income-protection premiums and reduce this year's tax</b>	are employed or self-employed	pre-pay 12 months' income protection insurance premiums	<input type="checkbox"/> claim your tax deduction upfront <input type="checkbox"/> pay less income tax this financial year

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.

<sup>1</sup> Includes assessable income, reportable fringe benefits and reportable employer super contributions. Other eligibility conditions apply.

<sup>2</sup> Super strategies should be in consideration of concessional and non-concessional caps.

## It pays to be tax smart. It really does.

No matter what your situation, age or income, a little bit of End of Financial Year planning can go a long way.

It can help you:

- boost your retirement savings
- maximise your Government entitlements, and
- minimise your tax liabilities.

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	<input type="checkbox"/> manage your 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	<input type="checkbox"/> manage your cash flow 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	<input type="checkbox"/> manage your cashflow more efficiently <input type="checkbox"/> potentially pay less income tax this financial year
12. Make better use of your tax refund	receive a tax refund	use your refund to: <ul style="list-style-type: none"> <li><input type="checkbox"/> pay off non-deductable debts first</li> <li><input type="checkbox"/> pay off your home loan and then borrow to invest</li> <li><input type="checkbox"/> fund your daily living expenses and contribute your pre-tax salary into super</li> </ul>	<input type="checkbox"/> save on interest <input type="checkbox"/> invest your refund outside of super <input type="checkbox"/> boost your super tax effectively

To find out what strategies may be the most effective for you, please feel free to contact Willow Wealth.



**Maria Picciani**

Willow Wealth Management

Suite 1, Lower Ground, Bulleen Plaza  
79 – 109 Manningham Road  
Bulleen VIC 3105

Suite 2, Ground Floor  
182 – 184 Victoria Parade  
East Melbourne VIC 3002

maria@willowwealth.com.au | www.willowwealth.com.au

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