

# 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 <sup>1</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	<ul style="list-style-type: none"> <li>• reduce tax on your salary or bonus by up to 34%</li> <li>• take advantage of the higher contribution cap that applies in this financial year</li> </ul>
<b>2. Make tax deductible super contributions</b>	earn less than 10% of your income <sup>2</sup> from eligible employment (eg you are self-employed or not employed)	invest in super by making personal contributions	<ul style="list-style-type: none"> <li>• claim your contribution as a tax deduction</li> <li>• take advantage of the higher contribution cap that applies in this financial year</li> </ul>
<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	<ul style="list-style-type: none"> <li>• reduce tax on investment earnings by up to 34%</li> <li>• take advantage of the higher contribution cap that applies in this financial year</li> </ul>
<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>2</sup> from eligible employment	invest some or all of the sale proceeds in super	<ul style="list-style-type: none"> <li>• claim a portion of the contribution as a tax deduction</li> <li>• take advantage of the higher contribution cap that applies in this financial year</li> </ul>
<b>5. Get a super top up from the Government</b>	earn less than \$51,020 <sup>2</sup> pa, of which at least 10% is from employment or a business	make a personal after-tax super contribution	<ul style="list-style-type: none"> <li>• qualify for a Government co-contribution of up to \$500</li> <li>• increase your retirement savings</li> </ul>
<b>6. Boost your partner's super and reduce your tax</b>	have a spouse who earns less than \$13,800 <sup>2</sup> pa	make an after-tax super contribution on your spouse's behalf	<ul style="list-style-type: none"> <li>• receive a tax offset of up to \$540</li> <li>• increase your spouse's retirement savings</li> </ul>



Insurance strategies	If you ...	You may want to ...	So you can ...
<b>7. Buy insurance through super tax-effectively</b>	<ul style="list-style-type: none"> <li>are eligible to make salary sacrifice super contributions, or</li> <li>are eligible to receive Government co-contributions, or</li> <li>have a spouse who earns less than \$13,800<sup>2</sup> pa, or</li> <li>earn less than 10% of your income<sup>2</sup> from eligible employment</li> </ul>	purchase life and total and permanent disability insurance in a super fund	<ul style="list-style-type: none"> <li>benefit from tax concessions</li> <li>make premiums more affordable</li> </ul>
<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	<ul style="list-style-type: none"> <li>claim your tax deduction upfront</li> <li>pay less income tax this financial year</li> </ul>
Investment strategies	If you ...	You may want to ...	So you can ...
<b>9. Offset a capital loss against a capital gain</b>	have received capital losses from your investments	utilise the capital losses against any capital gains	<ul style="list-style-type: none"> <li>manage tax on your investments more efficiently</li> </ul>
<b>10. Defer asset sales</b>	are thinking of selling a profitable asset this financial year	defer the sale until a future financial year	<ul style="list-style-type: none"> <li>manage your tax on your investments more efficiently</li> </ul>
<b>11. Pre-pay investment loan interest</b>	have (or are considering establishing) a geared investment portfolio	pre-pay 12 months' interest on your investment loan	<ul style="list-style-type: none"> <li>manage your cashflow more efficiently</li> <li>potentially pay less income tax this financial year</li> </ul>
<b>12. Make better use of your tax refund</b>	receive a tax refund	use your refund to: <ul style="list-style-type: none"> <li>pay off non-deductable debts</li> <li>pay off your home loan and then borrow to invest</li> <li>fund your daily living expenses and contribute your pre-tax salary into super</li> </ul>	<ul style="list-style-type: none"> <li>save on interest</li> <li>invest your refund outside of super</li> <li>boost your super tax effectively</li> </ul>

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

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

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