Smart super strategies for this EOFY

2019/20

With June 30 fast approaching, it's time to start thinking about your super for another year. We've put together five smart strategies that may benefit you now, and help boost your super.

Strategy	This may be right if you ...	How to use this strategy	The benefits may include
1. Add to your super and get a tax deduction	Are employed, self-employed or earn taxable income from other sources (such as investments)	Make an after-tax super contribution and claim a tax deduction	• Pay less tax on your income • Increase your retirement savings
2. Get more from your salary or bonus	Are an employee	Arrange for your employer to contribute some of your pre-tax salary or a bonus into super, as part of a salary sacrifice agreement	• Pay less tax on your salary or bonus • Increase your retirement savings
3. Convert your savings into super savings	Have money outside your super that you'd like to invest for retirement	Make an after-tax super contribution	• Pay less tax on investment earnings • Increase your retirement savings
4. Get a super top-up from the Government	Earn[1] less than $53,564 pa from your job or business	Make an after-tax super contribution	• Receive a Government co-contribution of up to $500 • Increase your retirement savings
5. Boost your spouse's super and reduce your tax	Have a spouse who earns[1] less than $40,000 pa	Make an after-tax contribution into your spouse's super account	• Receive a tax offset of up to $540 • Increase your spouse's retirement savings

To use any of these strategies you'll need to meet certain conditions. A financial adviser can assess your eligibility and help you decide which strategies are appropriate for you.

The tax advantages of saving in super

Saving more in super can come with tax and other benefits this financial year – but that's just the start.

Once money is invested in super, earnings are taxed at a maximum rate of 15% – instead of your marginal tax rate, which may be up to 47%[2].

This low tax rate can help you build up savings for your retirement.

When you do retire, you can also transfer your super into a 'retirement phase' pension[3]. Here, you won't pay tax on investment earnings, and any income payments you receive from age 60 onwards are tax-free.

Tips and traps

- Before you add to your super, keep in mind you won't be able to access the money until you meet certain conditions.
- There are caps on how much you can contribute to super each year. It's important to take the caps into account, as penalties may apply if you exceed them.
- Make sure any contributions you want to make this financial year are received by your fund before June 30. With electronic transfers (including BPAY), the contribution takes effect the day your super fund receives the money, not the day you make the transfer.
- Other eligibility criteria and conditions apply in relation to these strategies. Further information can be found on the Australian Taxation Office website **ato.gov.au**.

Getting advice

You'll need to meet certain conditions before you can benefit from any of these strategies. A financial adviser can help assess your eligibility for using these strategies, explain the different options available to you in detail and help you decide which strategies are appropriate for you.

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

2 Includes Medicare levy.

3 There is a limit on the total amount that can be transferred to retirement phase in a person's lifetime. This limit is $1.6 million in 2019/20 (subject to indexation).