

# Smart End of Financial Year strategies 2013/14

The countdown begins.



## Important Information

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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 us and/or taxation professional before so we/they can help you assess which year-end strategies suit you best.

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Westmount Securities Pty Ltd is not a registered tax agent. If you wish to rely on this letter to determine your personal tax obligations, you should consult with a Registered Tax Agent.

Talk to us about which of these strategies best suits your needs.

For more information call us on 9382 8885.

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Super Strategies		If you...	You may want to...	So you can...
1	<b>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 31.5%</li> <li>Take advantage of the contribution cap that applies in this financial year</li> </ul>
2	<b>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 and claim your contribution as a tax deduction	<ul style="list-style-type: none"> <li>Use the deduction to offset taxable income and save on tax</li> <li>Take advantage of the contribution cap that applies in this financial year</li> </ul>
3	<b>Get a super top up from the Government</b>	Earn less than \$48,516 <sup>1</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>
4	<b>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	<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>
5	<b>Pay less tax on investment earnings</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 31.5%</li> <li>Increase your retirement savings</li> </ul>
6	<b>Use super to manage CGT</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 and claim a portion of the contribution as a tax deduction	<ul style="list-style-type: none"> <li>Use the deduction to offset your taxable capital gain and save on tax</li> <li>Increase your retirement savings</li> </ul>
Insurance Strategies		If you...	You may want to...	So you can...
7	<b>Buy insurance in super tax-effectively</b>	<ul style="list-style-type: none"> <li>Are eligible to make salary sacrifice super contributions</li> <li>Are eligible to receive Government co-contributions</li> <li>Have a spouse who earns less than \$13,800<sup>1</sup> pa</li> <li>Earn less than 10% of your income<sup>1</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>
8	<b>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>Bring forward your tax deduction</li> <li>Pay less income tax this financial year</li> </ul>
9	<b>Gain from a capital loss</b>	Have received capital gains from your investments	Trigger a capital loss by selling a poorly performing investment that no longer suits your circumstances	<ul style="list-style-type: none"> <li>Use the capital loss to offset your taxable capital gain and save tax</li> <li>Free up money for more suitable investment opportunities</li> </ul>

<b>10</b>	<b>Defer asset sales to save tax</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>Defer paying Capital Gains Tax (CGT)</li> <li>Reduce your CGT liability</li> </ul>
<b>11</b>	<b>Pre-pay investment loan interest and reduce this year's tax</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>Bring forward your tax deduction</li> <li>Pay less income tax this financial year</li> </ul>
<b>12</b>	<b>Make better use of your tax return</b>	Receive a tax return	Use your return to: <ul style="list-style-type: none"> <li>Pay off non-deductible debts first</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 return 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. Contact Westmount for more information. **1** Includes assessable income, reportable fringe benefits and reportable employer super contributions. Other eligibility conditions apply.

