discover
financial partners

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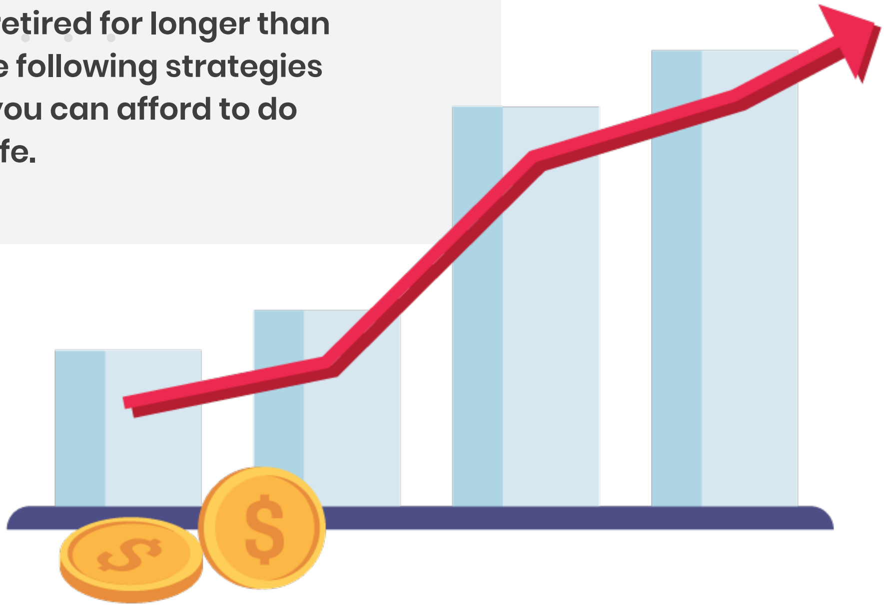
5 strategies to accelerate your super

It's possible that you may be retired for longer than you were in the workforce. The following strategies will help boost your super so you can afford to do everything you want later in life.



1. Consolidate your super funds

If you have changed jobs in the past you may have money in multiple super funds. Some may not know your current address and you are wasting money by holding on to additional accounts if you don't need them!

Review your funds to decide which fund is best for you. Consider things like ongoing fees, access to insurance, investment options. There is no one "best fund", it depends on your individual circumstances and needs, but generally having more than one fund active at the same time is not adding any advantage.

Don't forget to review any insurances. Insurance linked to any account that you close will be lost. Make sure your chosen fund has the level of cover that you require.

2. Make personal contributions (concessional)

By making a personal super contribution from your own funds and claiming the amount as a tax deduction you may be able to pay less personal tax while you have boosted your super.

You must submit certain forms if you want to claim a super contribution as a tax deduction, but this is easy to do and you can get help if needed.

TIP: You would not want to claim a tax deduction that reduces your taxable income below the current tax-free threshold!

3. Salary sacrifice

You may be able to reduce the tax you pay from your salary and grow your super by; salary sacrificing. These contributions are taxed at 15% instead of your marginal tax rate which could be up to 47%! For every $1,000 you salary sacrifice, this could save you $320 every pay period.

Note that if you are a high-income earner ($250,000 or more) your salary sacrificed contributions will be taxed at 30% which is still lower than your 47% marginal rate.

Contributions from salary sacrificing are considered employer contributions as your employer makes them on your behalf. They are summarised separately on your payslip as well as the mandatory 9.5% super guarantee (SG) contributions that your employer pays.

The total of Employer SG contributions, salary sacrificing, and personal (concessional) contributions must not exceed the current cap of $25,000 per year.

4. Make personal (non-concessional) contributions

You may be If you have a large amount of money available, maybe you won the lottery or received an inheritance or sold an asset or simply have some spare savings you can make non concessional (no tax deduction claimed) to your super fund.

This contribution cap is currently is up to $100,000 per year or up to $300,000 if you use the bring forward rule (meaning you can bring forward another 2 years' worth of contributions). Your super balance needs to be below $1.4m to make the full $300,000 contribution. Where your super balance is $1.6m or more you cannot make a non-concessional contribution.

If you are over 65, you can still make these contributions, you just need to pass the work test, which means you have to be employed for at least 40 hours in a period of not more than 30 consecutive days in the financial year. Note that there is no bring forward rule if youare aged 65 at the start of the tax year.

If you are a low-income earner and you make a non-concessional contribution, the government may also make a contribution (called a co-contribution) up to a maximum amount of $500 to your super. The government contribution depends on your income andhow much you contribute. When you lodge a tax return, the tax office will work out if you are eligible.

5. Boost your partner's super

If you are in a relationship (married or defacto, including same sex), your new partner can make a 'Spouse Contribution' to your super account and receive a 18% tax offset up to $3,000, or you can contribute to their super and receive the benefit. The receiving partner has to be under 65 or meet the work test if between 65 and 69.

The receiving partner's income must be $37,000 or less to qualify for the full tax offset and less than $40,000 for the contributing partner to receive a partial tax offset.

Note: Superannuation and tax are complex topics and subject to change. Everyone's circumstances are unique. Before you make any major changes to your Super, speak to our team and we can help you chart a pathway to future prosperity.

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