Top 10 End of Financial Year Strategies for Clients

Strategy	Benefits	Does this strategy apply to you?
1. Pre-pay income protection premiums	Pay income protection policy premiums by 30 June 2019 to claim a tax deduction for the premiums in the 2018-2019 financial year.	
2. Maximise concessional (tax deductible) contributions	Where possible, maximise the amount of super you contribute where a tax deduction can be claimed. Everyone eligible to contribute to super can claim a tax deduction for those contributions but remember, total tax deductible contributions including Super Guarantee and salary sacrifice amounts paid by your employer, must not exceed $25,000.	
3. If you have a transition to retirement (TTR) pension and have now met a condition of release, notify your pension fund.	Earnings within a TTR pension are taxed at 15%. As soon as you reach 65 years of age or meet a specified condition of release (eg retirement, permanent incapacity, terminal illness), your TTR pension can become a standard account based pension where all earnings are tax free. If you have met a condition of release during the year, it's important to notify your pension provider immediately.	
4. Consider making a spouse contribution and obtain a tax saving.	To obtain a tax offset for an eligible spouse contribution, the receiving spouse's income must be below $40,000pa. The maximum $540 tax offset is available where the spouse's income is less than $37,000. To achieve the maximum tax offset this financial year, a spouse contribution of $3,000 would need to be made before 30 June 2019.	
5. Consider making an after tax (non-concessional) contribution to receive the Government's co-contribution	The co-contribution scheme is designed to help boost the retirement savings of low income earners. If your income is below set thresholds and you make a personal after tax (non-concessional) contribution to super before 30 June, the Government will contribute up to $500 to your super account. The maximum $500 amount is available if you make a contribution of $1,000 or more and your income is less than $37,697 for the year.	

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6. Review trust distributions to optimise income for beneficiaries	Trust distribution resolutions must be made prior to 30 June each year. It's important to review any beneficiary's taxable income for the 2018/19 year to help determine the most effective distribution.	
7. Review personal/ family protection	30 June is always a good opportunity to review your current financial health and consider if the insurance strategies you have in place are still appropriate or need adjusting	
8. Consider making any planned donations before 30 June	If you are thinking of making donations to charitable organisations, make them before 30 June to receive a tax deduction this financial year.	
9. Utilise the bring forward rules before it's too late	When making after tax (non-concessional) contributions to super, there is an annual limit that applies. This limit is currently $100,000. However, you have the ability to use three years of annual cap (ie $300,000) in one transaction if you are under 65 years of age. If you have turned 65 during this financial year, it will be the last opportunity to utilise the bring forward rules and contribute the maximum $300,000 amount. This may be particularly beneficial for those looking to contribute large amounts in super after the sale of a property or receiving an inheritance. Considering what is known as a re-contribution strategy may also be beneficial (speak to your adviser about the re-contribution strategy to see if it's an option for you).	
10. If you are 65 or over and you are planning to sell your home, consider a superannuation contribution	The new downsizer contribution rules have been available since 1 July 2018. Those 65 years or over can contribute up to $300,000 into super from the sale proceeds of their home without meeting the work test. To be eligible for this measure, you must have owned your home for 10 years or more.	

Contact our office today on phone 02 4908 0999 or email reception@jsagroup.com.au if any of the above strategies apply to you.

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