Top 10 End of Financial Year Strategies

Strategy	Benefits	Does this strategy apply to you?
1. Make concessional (tax deductible) contributions	If you have the capacity to do so, make additional contributions to super and claim a tax deduction. 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 your concessional cap. For many, the concessional cap is $25,000 pa however you may be able to utilise any unused cap from the 2018/19 and 2019/20 years if your total super balance is less than $500,000.	
2. 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 $39,837 for the year.	
3. 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 2021.	
4. Utilise the bring forward rules	When making after tax (non-concessional) contributions to super, there is an annual limit of $100,000 that applies. However, you have the ability to use three years of annual cap (ie $300,000) in one transaction if you were under 65 years of age at any time during the 2020-21 year. 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). **TIP**: It's been confirmed, the non-concessional contribution cap will increase to $110,000 (or $330,000 using bring forward) for 2021-22. Check with your adviser to see if this year is your best option to use the bring forward strategy.	

Strategy	Benefits	Does this strategy apply to you?
5. 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.	
6. 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.	
7. Review your Total Super Balance	Your total super balance on the 30th June each year, which includes all funds held in superannuation and pension accounts, can impact your eligibility to a range of concessions such as contribution caps, spouse contributions and Government contributions made on your behalf. Reviewing your total super balance with your adviser before year end may allow you to access these concessions next financial year.	
8. Review personal/ family protection and consider pre-paying income protection premiums	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 due to your changed circumstances. Pay income protection policy premiums by 30 June 2021 to claim a tax deduction for the premiums in the 2020-2021 financial year.	
9. 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.	
10. Keep up to date with COVID 19 financial support	Support is available to individuals and small business now and after the end of the financial year. It's important to keep track of any opportunities available to assist you during this time.	

Contact our office today on **02 8247 9900** or email **admin@sherlockwealth.com** if any of the above strategies apply to you.

CVFP_2712 04/2021