Newsletter June 2016

Welcome to the latest edition of our newsletter. We hope that you find the following articles to be informative - as we aim to help you make better financial decisions.

It Pays To Be Tax Smart

No matter what you situation, age or income, just a little bit of year-end planning can help:

- Boost you retirement savings
- Maximise your government entitlements, and
- Minimise your tax liabilities.

Your financial adviser can sit down with you and look at the different strategies to see which suits you the best.

1. Gain from a capital loss

If you have received capital gains from your investments
You may want to trigger a capital loss by selling a poorly performing investment that no longer suits your circumstances
So you can use the capital loss to offset your taxable capital gain and save tax and free up money for more suitable investment opportunities

2. Defer asset sales to save tax

If you are thinking of selling a profitable asset this financial year
You may want to defer the sale until a future financial year
So you can defer paying Capital Gains Tax (CGT) and reduce your CGT liability

3. Pre-pay investment loan interest and reduce this year's tax

If you have (or are considering establishing) a geared investment portfolio
You may want to pre-pay 12 months' interest on your investment loan
So you can bring forward your tax deduction and pay less income tax this financial year

4. Pre-pay income protection premiums and reduce this year's tax

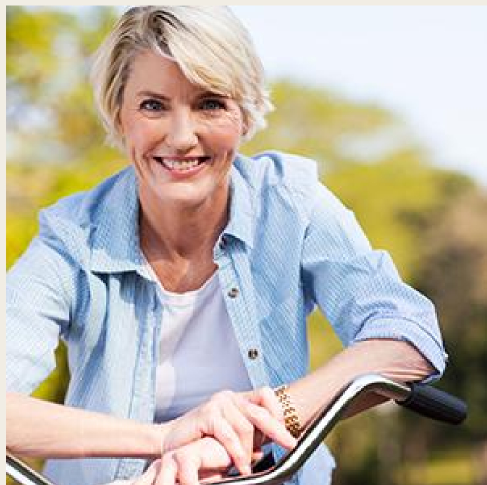
If you are employed or self-employed
You may want to pre-pay 12 months' income protection insurance premiums
So you can bring forward your tax deduction and pay less income tax this financial year

5. Make better use of your tax return

If you receive a tax return
You may want to use your return to:

- pay off non-deductable debts first
- pay off your home loan and then borrow to invest
- fund your daily living expenses and contribute your pre-tax salary into super

Better super outcomes for women



The Government is set to explore changes aimed at creating a more even playing field for men and women saving for retirement. We look at what this news may mean for equality in super, and how women can take charge of their savings today.

At present, there is a gender pay gap close to 18% between men and women, and men are reaching retirement with about twice the amount of super savings accumulated compared to what women have been able to accumulate. This disparity has prompted the Government to set up an inquiry into the financial security of women.

Meaghan Noble, Commonwealth Bank's Executive Manager Women and Advice, explains. "Attention to this problem is obviously broader than just superannuation, but it includes ensuring superannuation rules allow all Australians equal opportunity to save."

One of the proposed changes to super includes greater flexibility around contributions for people with interrupted work patterns. "This means when people are in a position to play catch up, they're less likely to bump up against limitations," says Noble.

"The reason the proposed changes could be great news for women is that, despite the evolving nature of family roles, women remain more likely to take themselves out of paid employment to care for children, and other family members." Noble adds that regardless of the proposed changes, there is already a range of ways for women to take more control of their super.

The first step to taking control

"The first step is simply about taking ownership and valuing your financial wellbeing. If you're in a relationship, it makes complete sense to work towards your retirement goals as a team, but that is quite different to relinquishing your involvement. Don't underestimate your own capabilities." Noble suggests using a Super Calculator to help see where you stand today.

Check your statements

Take a closer look at your super statements, and ask questions if there are things you don't understand. If you're not sure where all of your super is, you can use the Colonial First State Concierge Service team to help you find your super.

Avoid unnecessary fees

You may consider consolidating multiple funds into one in order to possibly reduce unnecessary fees. This can also help you get a clearer picture of how your super is invested and performing.

Consider adding to super

"Super is generally taxed concessionally, making it a great investment," says Noble. But because there are a number of ways to top up, she recommends knowing the options available to you and seeking advice to ensure these and any other financial obligations you have are best balanced to you and your household.

Salary sacrifice is adding your own before-tax money to super via your employer. Together with your employer's contributions , they're known as concessional contributions; the sum of these can currently be up to $30,000 per annum if you're under 49 years (up to $35,000 for those over 49) to take advantage of super's concessional tax rate of 15%.

Personal contributions are those you add with your after-tax money for which you don't claim a tax deduction. Provided this is only up to $180,000 per annum (or $540,000 over three years if under age 65), these contributions are tax-free.

"These may be two areas that become even more attractive if proposed changes go ahead," adds Noble. "There are a few other options also."

Spouse contributions are where one spouse contributes after-tax money into the super of a non-working or low-income earning spouse, and receives a tax rebate. Splitting contributions refers to concessional contributions that can be re-directed to a spouse's account in subsequent financial years.

"Regardless of how far you are through your working life, it's never too early or late to put your retirement savings on a better course. Help and advice is all around."

Source: Colonial First State Investments Limited

Do you know a friend or a family member looking to improve their lifestyle? We would love to offer them a FREE initial appointment to explore their current financial position and aspirations.

29 Roseberry Street
Gladstone
QLD 4680
Australia

Phone: 07 4972 5177
Fax: 07 4972 6349
Email: info@gtcfin.com.au

GTC Financial Services

www.gtcfinancial.com.au

General Advice Warning This information is of a general nature only and neither represents nor is intended to be specific advice on any particular matter. Infocus Securities Australia Pty Ltd strongly suggests that no person should act specifically on the basis of the information contained herein but should seek appropriate professional advice based upon their own personal circumstances. Although we consider the sources for this material reliable, no warranty is given and no liability is accepted for any statement or opinion or for any error or omission.

Infocus Securities Australia Pty Ltd ABN 47 097 797 049 AFSL and Australian Credit Licence No. 236523.

Save Money By Thinking Long Term

You may already have your insurance needs sorted, but did you know there's a smarter way to pay premiums so you make significant savings in the long term?

When you take out insurance there are generally two ways you can pay your premium, rather like choosing between a fixed or variable rate home loan.

- A stepped premium that is calculated each year in line with your age. This could be a good choice if you're looking for protection of something like a short-term business loan.
- A level premium that is calculated based on your age when the cover commences. This is ideal for younger people intending to maintain their protection long term and helps make budgeting easier.
- An alternative is a combination of both where you start with a stepped premium and then move to a level premium when your circumstances allow.

While stepped premiums are usually lower in the early years, level premiums can be a more cost-effective option if you continue the insurance over a longer period.

Locking into level premiums as early as possible when you're younger means you can make significant savings in the future.

When deciding which premium option to choose, it pays to keep in mind that insurance is about protecting your debts and income for the long term.

Level premiums are consistent over time, while stepped premiums increase dramatically as you get older. And often it's when you get older that you need insurance the most.

So it makes sense to choose the option that is likely to make your insurance more affordable for the long term and for you to have protection when you need it most.

With a bit of forward planning and the right premium option, you could reduce the long-term cost of your insurance considerably.

Because people have different needs at different stages of their lives, it's worth talking to us to see how a flexible premium option could be tailored to suit your situation.

** Level premium does not mean your premiums are guaranteed or will not change. Level premium rates may increase over time due to rate increases, CPI increases and policy fee increases. However, unlike stepped premium, level premium (excluding CPI and the policy fee) does not go up by age-related increases.*

Source: MLC

Do you know a friend or a family member looking to improve their lifestyle? We would love to offer them a FREE initial appointment to explore their current financial position and aspirations.

29 Roseberry Street
Gladstone
QLD 4680
Australia

Phone: 07 4972 5177
Fax: 07 4972 6349
Email: info@gtcfin.com.au

GTC Financial Services

www.gtcfinancial.com.au

GTC Financial Servcies Pty Ltd ABN 94 010 624 914 ATF GTC Financial Services Trust ABN 69 596 897 575 is a Corporate Authorised Representative of Infocus Securities Australia Pty Ltd ABN 47 097 797 049 AFSL and Australian Credit Licence No. 236523