

## Financial Planning Weekly

### Planning for EOFY – part 2

*“Every new beginning comes from some other beginning's end.”*

Make every effort count by tying off any loose ends prior to the end of financial year. With a few simple moves before June 30<sup>th</sup>, you could put yourself in a better position. Following from last week, here are a further few tips to consider.

#### Managing your Capital Gains/Losses

Avoid “wash sales”. This is where you sell, then quickly re-purchase securities to lower your CGT liability, and is classed as a form of tax avoidance by the ATO as well as monitored.

If you sell some or all of your holdings down due to a company's underperformance and in turn realised a taxable loss, then this wouldn't be classified as a wash sale.

However, if you were to sell those shares and then repurchase the same or similar amount back in a short period of time, then it can be argued that the reason for the sale was not because you wanted to reduce your position but to crystallise a capital loss – otherwise you wouldn't have re-entered the position.

#### CGT Discount - Individual

If you hold an asset for less than one year, you are typically liable to pay tax at your marginal rate for the full capital gain (if applicable). So, you may consider holding investments for longer than a year to qualify for the CGT discount. For individuals, the discount is 50% of the gain.

#### Notice of Intent to Claim a deduction for contributions – Superannuation

If you plan to claim a tax deduction for personal concessional contributions made to your Superannuation fund, you need to:

- Submit a valid [‘Notice of intent to claim or vary a deduction for personal super contributions’](#).
- Ensure your fund acknowledges receipt of the notice **before** lodging your tax return or the end of the next income year, whichever occurs first.

If you're intending to start a pension, make sure you lodge the notice of intent to claim first with the super fund where you made the contribution into, and that your super fund issues you with an acknowledgment of a valid notice prior to commencing a pension.

#### Deductions – Individual

From dry-cleaning to charitable donations, knowing what expenses are tax-deductible may increase your tax refund. Typical deductions generally derive from work-related items, such as training courses, uniform costs and office expenses.

With the rise of hybrid working, many may be eligible to claim work from home expenses. The ATO website has a useful list of deductible expenses [here](#).

You could consider even purchasing deductible items before June 30 so they're deductible from this year's income.

Remember to confer with your registered tax agent to ensure that you are claiming all available deductions.

### Review personal insurances

Most insurance premiums are index linked to inflation, so now is a great time to check your cover to make sure it is still relevant and suitable to your needs and circumstances.

If you are considering taking out Private Health Cover, you may be forced to pay lifetime health cover. To avoid this, you will need to take out private hospital cover before 1<sup>st</sup> July after you turn 31, or you'll pay a 2% loading on top of your normal hospital premium for each year you didn't have hospital cover (up to a maximum of 70%). Note: There are special circumstances where exemptions apply.

### Act early on off-market share transfers

Take into consideration processing times if you are planning to transfer personal shareholdings into super (as a contribution) or elsewhere. The transfer is only valid once the broker receives the transfer form. Any transfers or conversions to our HIN's will be processed up until CHESSE closes. Noting there are fees to process these requests.

### Review estate planning and Power of Attorney arrangements

Review any Binding Death Benefit Nominations to ensure they are still valid, reflect your wishes, and that the wording matches that required by the Trust Deed. Note there are limitations to whom you can nominate, so make sure it is valid. Consider an enduring power of attorney arrangement, and talk with your loved ones if you believe it is time to set one up.

Please contact us on 03 9268 1118 or [ahenderson@shawandpartners.com.au](mailto:ahenderson@shawandpartners.com.au) to discuss our services further.

Alex, Anu and the team.

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