Planning for EOFY

With the end of the financial year closing in, now is the time to look at your portfolio and plan ahead. Make every effort count by tying off any loose ends before the end of financial year:

Meeting your Superannuation requirements

- Have you utilised all your available concessional cap amounts for this year? This amount is currently capped at $27,500 and includes amounts paid from an employer, amounts that you salary sacrifice and, those that you claim a tax deduction for.
- Have you utilised all your concessional cap amounts from prior years? If you have a Superannuation balance of less than $500,000 as at 30/6/2022 you may be eligible to top up your Superannuation up to $130,000 by carrying forward unused concessional contributions from up to the last 5 years. Check our weekly for more information.
- There is no longer a 'work test' for non-concessional contributions. For those with less than $1.7m in Superannuation at 30th June 2022 the limit is $110,000 p.a.

  Depending on your Super balance you may be eligible to use the 'bring forward' rule to contribute more than one year's worth of non-concessional contributions at once.

- If your total income is less than $42,016 you should consider making a $1,000 non-concessional contribution to receive up to the $500 Government co-contribution.
- The minimum pension must be paid, in cash, by 30th June 2023. The amount is calculated based on your age as of 1 July or the date you commence your pension (if part way through a financial year) and a percentage of your account balance on this date. The table below provides a guide.

Age	2013–14 to 2018–19 income years (inclusive)	2019–20 to 2022–23 income years (inclusive) (COVID Impacted)
Under 65	4.00%	2.00%
65–74	5.00%	2.50%
75–79	6.00%	3.00%
80–84	7.00%	3.50%
85–89	9.00%	4.50%
90–94	11.00%	5.50%
95 or more	14.00%	7.00%

Source – ATO Website 05/04/2023

Don't forget that the above amounts are slated to return to pre-covid levels in 2023/2024. Plan appropriately.

- If you have drawn payments in excess of the minimum, how do you intend those payments to be treated in 2022/23? Lump sum from Accumulation? Partial commutation from pension? Pension payment?
- Are you planning to starting a pension before 30th June 2023 or waiting? Please note, the general transfer balance cap is increasing to $1.9m on 1st July 2023.

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.

Know your deductions

Many people don't realise what tax deductions they can claim. From dry-cleaning to donations, knowing what expenses are tax-deductible may increase your tax refund. Typical deductions include work-related training or courses, uniform costs and office expenses.

The ATO website has a useful list of deductible expenses here. If you want to get ahead, you could even purchase deductible items for next year before June 30 so they're deductible against this year's income.

Review your personal insurances

Make sure your insurance policies are up to date and that you have the appropriate levels of Life, Total Permanent Disability and Income Protection insurances in place. Most Life 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.

Talk to us today about how we can assist.

Alex, Anu and the team.

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