



# Financial planning for saving tax

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# Introduction

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At the end of financial year, many Australians scramble to find ways to reduce their tax. To help you create well-considered strategies with real financial benefits, this eBook details our top tax saving tips.

Financial Spectrum are experts in helping Australians of all backgrounds efficiently and legally minimise their payable tax through tailored strategies. These strategies have been developed over many years of advising clients and highlight simple practices that can help produce significant tax advantages.

We hope this eBook provides some activities that financially benefit you.



# Tax saving strategies

1

## Strategy 1: Make personal super contributions

### Strategy

Make a personal 'after-tax' contribution to your superannuation and receive a Government bonus

### Suitability

If you earn less than \$51,021 per annum with at least 10 per cent of this income derived from eligible employment or carrying on a business

### Potential benefits

- Receive a Government co-contribution of up to \$500
- Boost your super balance for retirement

2

## Strategy 2: Make super contributions to your spouse

### Strategy

Make a contribution to your spouse's superannuation

### Suitability

If you have a spouse that earns less than \$40,000\* per annum

### Potential benefits

- Boost your spouse's super balance for their retirement
- Receive a tax-offset of up to \$540

\*From 1 July 2017



# 3

## Strategy 3: Contribute to superannuation if you're self-employed

### Strategy

Boost your retirement super savings and save tax by making personal and deductible super contributions

### Suitability

If you're self-employed

### Potential benefits

- Boost your super balance
- Pay less income tax
- Make a larger after-tax investment

# 4

## Strategy 4: Delay withdrawing super benefits

### Strategy

Delay withdrawing super benefits to save lump sum tax

### Suitability

If you're under the age of 60 and want to cash-out some of your super

### Potential benefits

- Save on lump sum tax
- Make a larger after-tax investment

# 5

## Strategy 5: Defer asset sales

### Strategy

Defer asset sales to manage capital gains tax until the next financial year

### Suitability

If you're thinking of selling a profitable asset in this financial year

### Potential benefits

- Defer paying capital gains tax
- Reduce your capital gains tax liability

# 6

## Strategy 6: Prepay interest

**Strategy** Pre-pay 12 month's interest on an investment loan

**Suitability** If you have, or are considering establishing a geared investment or property portfolio

**Potential benefits**

- Bring forward the tax deduction
- Pay less income tax this financial year

# 7

## Strategy 7: Prepay insurance

**Strategy** Pre-pay 12 month's income protection insurance premiums

**Suitability** If you are employed or self-employed

**Potential benefits**

- Bring forward the tax deduction
- Pay less income tax this financial year

# 8

## Strategy 8: Make a donation

**Strategy** Make a charitable donation in the financial year and claim a deduction

**Suitability** All taxpayers

**Potential benefits**

- Earn a deduction
- Make a worthwhile contribution to a good cause

# 9

## Strategy 9: Salary sacrifice

### Strategy

Maximise your annual superannuation contributions through salary sacrificing

### Suitability

If you are eligible to contribute to super and you don't contribute the maximum allowable

### Potential benefits

- Pay less income tax this financial year
- Increase your super balance

# 10

## Strategy 10: Claim deductions

### Strategy

Ensure you claim your allowable deductions by keeping records of all eligible items including receipts, accounts and depreciation tables

### Suitability

If you are a taxpayer entitled to deductions. Visit ATO for suggested occupation deductions — [www.ato.com.au](http://www.ato.com.au)

### Potential benefits

- Pay less income tax this financial year by claiming deductions



# Should tax saving be your first priority?

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We understand that for many people tax saving is a priority. While these strategies may indeed save you tax, it is important to remember that everyone's financial situation is different.

We like to view tax saving as a component of your overall financial plan, not the only one. If tax saving is your only consideration, you may well be missing other opportunities for wealth creation.

To ensure you're making the most of your financial potential, talk to a financial planner who can identify your needs and tailor a plan to suit your life and specific financial goals.



# Case study: Michael and Zara's experience

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Michael and Zara are both in their forties with two young children. Michael works as a structural engineer and Zara is currently out of the workforce raising their two children. Michael and Zara were both concerned that they were paying too much tax and sought advice from a Financial Spectrum financial planner to help them legally reduce their tax liabilities.

Financial Spectrum financial planner assisted them to:

- Assess their overall financial situation and identify areas of opportunity to help them grow and secure their wealth
- Use smart tax planning strategies to assist them to legally reduce their payable tax
- Set up wills, power of attorney documentation and life insurance to help protect their family should the unexpected occur

So in addition to helping them with tailored tax reduction strategies, their financial planner was able to implement strategies to help them grow their wealth and protect their family into the future.



# How Financial Spectrum can help

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Now you've read this eBook, we hope you have a better understanding of some basic tax strategies and how they may fit into your overall financial plan. There are many other tax strategies that may be appropriate for your situation, so get in touch with us if you'd like to explore these.

At Financial Spectrum, we help people make exceptional financial decisions. No matter what stage of life you're at, we have the people and proven strategies to help you achieve your financial goals.



# About Financial Spectrum

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Financial Spectrum is an privately owned financial planning practice. We develop tailored financial strategies to help you build your wealth and achieve your lifestyle aspirations.

We offer so much more than investing. We take the time to understand you, and then help you make the right decisions to achieve the future you're aspiring to.

## We can help you to:

- Plan for the future
- Build your investment strategy
- Grow your personal wealth
- Simplify your budget
- Minimise bad debt
- Increase your super
- Reduce your tax
- Protect your family

Let us help you take control of your finances, build your wealth and achieve your future lifestyle aspirations. Contact us for a complimentary, no obligation meeting today.





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