



## More Super – less tax

The end of the financial year is fast approaching – and this year, there's a new way to help you save on tax while boosting your super.

By making an after-tax contribution to your superannuation before the end of the financial year, you could boost your retirement savings for the future – and claim a tax deduction now.<sup>1</sup>

Here's what you need to know:

### Benefit today – and tomorrow

If you make super contributions from your after-tax income or savings, you may be able to claim them as a tax deduction and reduce your taxable income, while boosting your super.

The contribution will then be taxed in your super fund, generally at the concessional rate of up to 15% (high income earners may pay an additional 15% tax). This is instead of paying tax at your marginal tax rate, which could be up to 47% (including the Medicare levy).

Depending on your circumstances, this strategy could result in a tax saving of up to 32% – and help you retire with more.

[1] Eligibility conditions apply.

### Here's an example:

Bob is 55 years of age and earns \$80,000 pa, so his marginal tax rate is 34.5% (including the Medicare levy). He's paid off his mortgage and plans to retire in 10 years – so he wants to contribute more to his super.

He makes a personal super contribution of \$10,000 and claims the amount as a tax deduction – reducing his taxable income. This means he pays \$3,450 less tax in his tax return.

Meanwhile, tax of 15% (\$1,500) is deducted from the contribution in the fund.

So, by using this strategy, Bob increases his super balance and makes a net tax saving of \$1,950 (that is, \$3,450 less the \$1,500 tax he paid within his super fund).

### Am I eligible?

To make a personal deductible contribution to super, you need to be under the age of 65, or 65 to 74, and have worked at least 40 hours over 30 consecutive days in the financial year you make the contribution.

### How do I claim my deduction?

To claim the super contribution as a tax deduction, you need to submit a valid 'Notice of intent to claim a deduction' form with your super fund, and receive an acknowledgement from them, before you lodge your tax return, start a pension or withdraw or rollover the money.

### Remember the cap

Remember, if you claim personal super contributions as a tax deduction, they count towards your concessional contribution cap, which is \$25,000 in the 2018/19 financial year. It's important you don't exceed the cap, as penalties may apply.

All employer contributions (including superannuation guarantee and salary sacrifice) and certain other amounts are also counted towards this cap.

### **Need advice?**

If you're thinking about investing more in super, we can help you decide whether making a personal deductible contribution is right for you. We can also help you assess all your options that may help build a healthy Retirement nest-egg.

**Disclosure Statement:** Elders Financial Planning Pty Ltd ABN 48007997186 (AFSL) No. 224645. L9/80 Grenfell Street, Adelaide SA 5000. **Terms and Conditions:** [eldersfinancialplanning.com.au/terms-and-conditions](https://eldersfinancialplanning.com.au/terms-and-conditions) **General Advice Warning:** This publication contains general (including taxation) information only. It is not intended to constitute financial product advice. Any information provided or conclusions made, whether express or implied, do not take into account the investment objectives, financial situation and particular needs of an investor. It should not be relied upon as a substitute for professional advice. You should obtain and consider a Product Disclosure Statement (PDS) before making any decision to acquire a product.

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