

nabtrade webinar

STRATEGIES FOR EOFY



Any advice contained in this presentation has been prepared without taking into account your objectives, financial situation or needs. Before acting on any advice in this presentation, WealthHub Securities recommends that you consider whether the advice is appropriate for your circumstances.

WealthHub Securities recommends that you obtain and consider the relevant Product Disclosure Statement or other disclosure document available at nabtrade.com.au before making any decision about a product including whether to acquire or to continue to hold it.

STRATEGIES FOR EOFY



PAUL RICKARD

Co-Founder
Switzer Report



GEMMA DALE

Director, SMSF and Investor
Behaviour
nabtrade

What we'll discuss

- Strategies to make the most of your investment portfolio
- Incentives to boost your superannuation
- Opportunities to ensure your tax position is optimised for 30 June
- How to ensure your long term investment strategy aligns with your goals



45 minutes

Q&A Session



15 minutes

Don't forget, you can submit questions at any time.

You can also download the presentation



1. Investors



2. Superannuation and Pensions



3. Personal and Business Taxation

1. INVESTORS

- Portfolio re-balancing
- Clear out the “dogs”?
- Optimising CGT impacts



ASX SECTOR WEIGHTS



| Sector | Weight |
|------------------------|--------|
| Communication Services | 3.8% |
| Consumer Discretionary | 6.5% |
| Consumer Staples | 4.8% |
| Financials | 28.9% |
| Energy | 4.0% |
| Health Care | 9.5% |
| Industrials | 5.8% |
| Information Technology | 3.1% |
| Materials | 25.6% |
| Real Estate | 6.5% |
| Utilities | 1.5% |

(As at 31 May)

CAPITAL GAINS TAX



- Tax paid when an asset is disposed
- Gain (sale proceeds less cost price) taxed at your marginal tax rate, with discount if asset owned for 12 months or more
 - Individual: 50% discount
 - Super Fund: One third discount
 - Company: No discount
- Capital gains can be offset by capital losses
- If losses can't be applied in the current tax year, then can carry forward to the next tax year or until they can be utilised
- If you have multiple parcels of same asset, no set rule such as FIFO or LIFO – you can determine which parcel is sold

2. SUPERANNUATIONS AND PENSIONS



- Concessional contributions
 - Employer's 10%, salary sacrifice, and any amount you claim tax deduction for
 - \$27,500 cap
 - Age up to 67, then if 67 -74, work test applies
 - Catch up contributions if super balance < \$500K and haven't used cap in previous years
- Non concessional contributions
 - Personal "after tax" contributions
 - \$110,000 cap
 - Bring-forward rule if < 67 (at some time in 21/22) – potentially contribute \$330,000
 - Total super balance must be under \$1.7m. Work test if 67 - 74

2. SUPERANNUATIONS AND PENSIONS



- Government Co-Contribution
 - Govt contributes up to \$500 if personal contribution of \$1,000 made (50% basis), and person is eligible
 - Under 71
 - Income < \$41,112 (phases out completely at \$56,112) and
 - At least 10% of the income must be from a 'employment source'
- Spouse tax offset
 - You can claim a tax offset of up to \$540 by making a spouse contribution of \$3,000 (18% basis), and spouse is eligible
 - Spouse < 75 (67-74 work test) and income < \$37,000. Phases out at \$40,000

PENSIONS



- Pension payments – have you taken enough?
- Minimum withdrawal based on age and account balance

| Age | Minimum Withdrawal (21/22) |
|--------------|----------------------------|
| Under 65 | 2.0% |
| 65 – 74 | 2.5% |
| 75 – 79 | 3.0% |
| 80 – 84 | 3.5% |
| 85 - 89 | 4.5% |
| 90 – 94 | 5.5% |
| 95 and above | 7.0% |

3. PERSONAL AND BUSINESS TAX



- Working from home during the pandemic
 - Short cut method – 80c per hour – diary, but no receipts required
 - Fixed rate method – 52c per hour to cover running expenses – home office, receipts and maintain diary for representative period. Other costs (stationery) separately claimable
 - Actual cost method
- Deductions for donations, self-education, subscriptions etc
- From a taxation perspective, accelerate expenses, defer income. Can you pre-pay interest on a deductible loan?
- Instant asset write-off for businesses

Q&A

