

EPISODE  
374



# **SUPERANNUATION SECRETS: LEGALLY SHRINKING YOUR TAX**

## Disclaimer:

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## Agenda:

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1. Reduce your income tax
2. Get tax-free retirement income
3. Reduce tax on inheritance
4. Save for first home more efficiently

## Reduce Income Tax:

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- Compulsory Super. **What to do:** (mostly) nothing.
- Additional Super via employer. **What to do:** speak to your employer about salary sacrifice into superannuation. Check balance (\$500k important) & catch-up contributions. Check your marginal tax rate.
- Make a payment from your savings, claim a tax deduction. **What to do:** fill in a form with your superfund.
- If you are in a relationship and one partner is earning a very low salary, there are tax savings and strategies. **What to do:** Spouse contributions (up to \$3k = \$540 tax offset). Co-contribution (\$1k after tax = \$500 match from government). Contribution splitting.

## Get tax free retirement income:

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**Transfer balance cap** 1.9m. This is how still tax-free in pension.

**Total Super cap:** Different restrictions. <500k = catch up contrib's, \$1.7m = no bring forward, \$1.9m = no non-concessional contributions, \$3m = 15% additional tax.

- All of the above income tax methods. Particularly close to retirement.
- Transfer money from your savings into super. **What to do:** \$120,000 per year each each, 3 year catchups available.
- Note trying to balance super between partners is probably going to be important going forward. **What to do:** (probably) try to keep balanced, noting issues if large age gap.

## Reduce Tax on Inheritance:

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- How does this work?. Up to 17% on superannuation to adults inheritors.
- Note taxable vs not taxable. Simple version is that if you haven't paid tax on the money it is probably taxable on death.
- Recontribution strategy. **What to do:** tax money out in pension phase, put in back in.

## Save for first home more efficiently:

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Not about using super for home, it is about using your super tax rate. Must be additional contributions, can't be compulsory contributions.


**Example:** Say you are saving \$1,000 a month (pre tax)


- Outside of super (on a 32% tax rate) you end up with \$680.
- Inside super you end up with \$850.
- 25% return on day 1!


**Downside:** You can't get it back.


**Note investment return:** Market or target date.


## Choose themes to screen from your portfolio away from (i.e. remove stocks)


Climate Change  



War  



Human Rights  



Health  


Vices  


Animal Rights  


Religion  


Asset Class  


Thematic  


### Climate Change

- ☐ No Fossil Fuels (Worst Offenders) ⓘ
- ☐ No Fossil Fuels (Any) ⓘ
- ☐ No Coal Seam Gas or Fracking ⓘ
- ☐ No Nuclear Power ⓘ
- ☐ No Old Growth Forest Logging ⓘ

# Personalise Your Portfolio

## Screens

You can exclude the below to customise your portfolio

|                |          |              |          |       |
|----------------|----------|--------------|----------|-------|
| Climate Change | War      | Human Rights | Health   | Vices |
| Animal Rights  | Religion | Asset Class  | Thematic |       |

- No Fossil Fuels (Worst Offenders) ?
- No Fossil Fuels (Any) ?
- No Coal Seam Gas or Fracking ?
- No Nuclear Power ?
- No Old Growth Forest Logging ?



## Tilts

You can add the below to customise your portfolio

|                          |                |            |              |
|--------------------------|----------------|------------|--------------|
| Investment Style Factors | Climate Change | Technology |              |
| Consumption              | Commodities    | Military   | GICS Sectors |

- Quality Stocks ?
- Value Stocks ?
- Growth Stocks ?
- Defensives ?

Personalise your portfolio now >



# Build Your Portfolio

Need help with this page?  Video Tutorial

Account Selection

Investment Choice

Risk Profile

**Build Your Portfolio**

Ethical Overlay

Review

Applicants


Bank Details


Compliance

Final Review


## Portfolio Tilts



Quality Stocks 

Value Stocks 

Growth Stocks 


Oil & Gas Stocks 


Gold Stocks 


Agribusiness 

Large Technology Stocks 

Cloud Computing Stocks 

Robotics/AI 

Video Gaming 

Cybersecurity 

Clean Energy 

Defensives 


Battery Supply Chain 

Nuclear Power 


Defense Contractors 


Travel 

Luxury Goods 


Logistics 

Global Communication Services 

Global Consumer Discretionary 

Global Consumer Staples 

Global Energy 

Global Financials 

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