

Give your finances an end of financial year boost Strategies for the self-employed

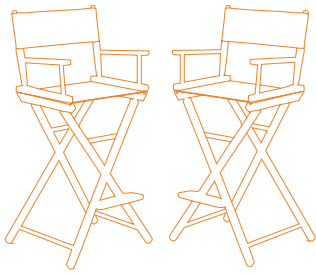
The end of the financial year is rapidly approaching, meaning it's the right time to think about strategies you may be able to put in place to give your finances a well deserved boost.

As always, your adviser is ready to assist. And to help you to start thinking about some of the strategies that may be right for you, we've put together a list, including a summary of the benefits of each. Some of these strategies may have short-term benefits for your tax position and some will have benefits for your savings over the years to come.

Whichever you choose, you are helping to grow your wealth - one step at a time.

Strategy	Why contribute?
Make a personal (concessional) contribution to super	Super contributions are fully tax-deductible up to \$25,000 for self-employed people aged 49 or less and up to \$50,000 for those aged 50 or more, until 2011/2012.
Make a personal (non-concessional) contribution to super	You can help make the most of your super retirement savings by contributing money to super from after-tax income or savings each year. It is important to note contribution limits apply of up to \$150,000 p.a. If you are under 65 you can also bring forward two years of contributions, allowing a contribution of \$450,000 in the current year. These contributions are not tax-deductible.
Take advantage of the Government co-contribution to superannuation	For those who earn less than \$61,920 in 2009/2010, are less than 71 and make a personal super contribution by 30 June, the Government will make a payment of up to \$1,000 to eligible persons.
Make a spouse contribution to boost super savings and receive a tax offset	Those who make spouse contributions on behalf of their non-working or low income-earning spouse may be able to claim an 18% tax offset on contributions up to \$3,000, meaning a maximum offset of \$540.
Boost your savings and reduce tax via salary sacrificing	If you are likely to take a bonus payment before 30 June, you could consider salary sacrificing the payment into superannuation, potentially reducing your tax bill.*
Offset capital gains tax (CGT) by contributing to super	If you have made a capital gain on an asset sale this financial year, you could consider making a concessional contribution before 30 June, enabling you to save on CGT whilst also increasing your retirement savings.
Defer asset sales to manage capital gains tax	If you are in the position of needing to sell a profitable asset, holding off selling the asset until after 30 June may result in deferring, or reducing, a CGT liability.
Pre-pay 12 months interest on an investment loan	Pre-paying interest allows you to bring forward the tax deduction and potentially pay less tax this financial year.
Pre-pay 12 months income protection insurance premium	Taking out an income protection policy, outside of super, before 30 June and pre-paying premiums allows you to bring forward the tax deduction and reduce your tax bill this financial year.

* Please note you must have a legitimate salary sacrifice agreement in place with your employer before you become entitled to the income you wish to salary sacrifice.



Have you also considered retirement strategies?

The end of the financial year is also a good time to consider broader financial planning strategies that could help you build long-term wealth.

Transition to retirement strategy

If you are aged between 55 and 65 years and are looking to grow your super or reduce the number of hours you are working while maintaining your income, a transition to retirement strategy may be just right for you. As you continue to work, you can salary sacrifice to super whilst receiving a regular income from your superannuation savings through an allocated pension.

Recontribution strategy

If you are aged between 55 and 60 years, implementing a recontribution strategy can increase the tax-free component of your superannuation savings, which will have tax benefits when you start to receive an income stream in retirement. If you are over 60, a recontribution strategy can also prove to be an effective tool for estate planning.

And of course, if you are considering full retirement, it pays to starting planning several years ahead.

Make the end of the financial year work for you – it's a sound financial move. Speak to your adviser now about making the most of your end of financial year opportunities.

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