

Salary Sacrifice



Many Australians leave retirement planning until it's too late. Will you?

Ask your adviser today about how you can invest, using a Salary Sacrifice Strategy, to boost your superannuation.

Salary Sacrifice and Superannuation

Salary sacrificing can be used to invest some of your income into superannuation using pre-tax dollars, meaning you don't pay income tax on that portion of your income. Instead the income is invested gross into your superannuation account where it will be concessional tax.

Why pay tax on your income, when you can divert the savings into your superannuation?

“The tax benefits of sacrificing a small amount of your salary today can make a big difference to your retirement income in the future.”

Salary Sacrifice

3 ways salary sacrifice can help you boost your retirement

1. It is tax effective

Income tax is payable only on income you actually receive, so you do not pay income tax on salary sacrifice contributions to super. Your super contributions are taxed at a maximum rate of 15%, representing a significant tax saving particularly if you are on the highest marginal tax rate.

Also, by making a salary sacrifice contribution it is possible that your taxable income is reduced and you are brought down into a lower income tax bracket, further reducing your income tax bill.

2. More money is available for investment

This difference in taxation means that more money is available for investment than if you were to receive the money as after-tax income and then invest it.

3. You pay less tax on returns from your super investments

The maximum tax on investment earnings from your superannuation is 15%. This is often significantly better than the tax on returns outside super.

While there are possible benefits from making additional contributions to your super fund via salary sacrifice, you need to consider your individual circumstances.

Money we set aside for our retirement is generally locked into our superannuation fund until retirement. If you feel you may want access to this money before then, salary sacrifice may not be the most appropriate means of saving for you.

How do you organise salary sacrifice super contributions?

Before implementing a superannuation strategy such as salary sacrifice, it is important to seek personal financial advice. This will ensure that you maximise the tax benefits from your super and other investments, and that you find the best way to save for the retirement you want. If salary sacrifice is for you, your Capstone Financial Adviser will help you arrange this through your employer.

Speak to your Capstone Adviser to see if a "Salary Sacrifice" strategy would be right for your financial situation. Contact the adviser below, or call us on 1300 306 900, or visit our website www.capstonefp.com.au



PERSONAL FINANCIAL ADVICE



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