Frost Crane & Co

The end of financial year is fast approaching. While some of us will be planning to get some shopping done, for others it will be a time of endless paperwork. The most important thing during this time of year is to plan well so you can make the most of your tax returns and protect your wealth. By preparing in advance, many last minute headaches can be avoided and you can take better advantages of the opportunities before June 30. While June 30 is technically considered to be the end of the financial year, an important thing to remember is that if June 30 falls on a weekend, the 'real' end of financial year will be last Friday in June.

Various financial advisors and institutions have devised simple strategies to help individuals better prepare for the end of financial year. As suggested by NAB's money basics website, there are **12 basic strategies that can help you protect your wealth in the most tax effective way**. The strategies are as follows:

(1) You can sacrifice your pre-tax salary or bonus into a super contribution. An important factor this year is to make the best out of the contribution cap. Of course, it is no good making super contributions if you can't pay next week's rent, so it is best to assess your own situation before sacrificing super.

(2) If you are self-employed, then it may be best to invest in super and claim that contribution as a tax deduction. As with point one, always assess your own circumstances before investing in your super for tax purposes.

(3) If you do have an investment in your name, then it may be best to cash the investment and use it to make a personal after-tax super contribution.

(4) Generally, any gain on the sale of a personal asset isn't taxable, but if you do sell a taxable personal asset like an expensive collectable artwork, and you make a capital gain from the sale of this asset: If the **income from this sale is less than 10% of your total income from eligible employment, then you could invest the sale amount in a super fund and claim a part of it as a tax contribution.** Having said that, we can't think of anyone out there who would sell an expensive artwork just to make a super contribution!

(5) You can make a personal after-tax super contribution to receive a Government co-contribution, if your earnings are less than $46,920 pa and at least 10% of your income is from a business or employment.

(6) You can make a personal after-tax contribution on behalf of your spouse if their income is less than $13,800 pa.

(7) You could purchase life insurance or total permanent disability insurance as a part of a super fund.

(8) You can pre-pay 12 months income protection premiums.

(9) You can trigger a capital loss by selling a poorly performing investment.

(10) You can defer the sale of a profitable asset to the next financial year.

(11) You can prepay 12 months interest on your investment loan.

(12) You can use your tax return to pay off debts and other loans and contribute your pre-tax salary to super.

The best thing at this time of the year is to plan in advance and sit down with your financial advisor and tax accountant and see which strategy works best for you so that you can maximise your savings and Government entitlements while minimising your tax liabilities.