How Fit Is My Super? Your 2018 Super Fitness Tips…

We all do our best to make sure we are as fit as possible to live a long and healthy life, and to look forward to the day we retire. However, how many of us take the time to check the fitness of our super to make sure we have enough money in retirement?

With 2018 well and truly in full swing, it's a great opportunity to take some time out and consider some handy "Super Fitness Tips" to help you understand what to look out for to make sure your super is fit for retirement.

- ✓ **Tip 1: Consolidate multiple super accounts and track down any lost or unclaimed super**
  According to figures release by the Australian Taxation Office (ATO) late last year, there is nearly $18 billion* in lost and unclaimed super held by the ATO. The ATO is encouraging people with multiple accounts and/or lost super to track down their lost super and consider consolidating it. The ATO or your super fund (like NESS Super) can help you track down any lost or unclaimed super and consolidate your accounts into you preferred super fund. Remember to check your insurance cover and any exit fees before closing and consolidating your other accounts.

- ✓ **Tip 2: Maximise your pre-tax contributions to super****
  From 1 July 2017 and for the 2017/18 financial year, the maximum amount of pre-tax (concessional) contributions that can be made to superannuation without penalty is $25,000 regardless of your age. These contributions include amounts you may make as salary sacrifice, your employer Superannuation Guarantee contributions or any personal deductible contributions, if you qualify.

- ✓ **Tip 3: Consider making personal (after-tax) contributions to super and claim a tax-deduction, if eligible****
  You can make after-tax (or non-concessional) contributions to super, which could come from regular after-tax payroll deductions, your personal savings, an inheritance or from the sale of investments. For the 2017/18 financial year, the maximum after-tax (non-concessional) contribution is $100,000 per financial year (or 3 year bring-forward rule of up to $300,000). This allows you to make substantial contributions to super and build up your retirement savings, and is now subject to not being over a $1.6m account balance limit. As with pre-tax (concessional) contributions, it is important to maximise your contribution by 30 June 2018. From 1 July 2017 and for the 2017/18 financial year, the tax-deductibility of after-tax contributions has been extended to all eligible individuals, regardless of your employment.

- ✓ **Tip 4: Take advantage of the Government co-contribution****
  If you earn less than $51,813 (2017/18), you may like to take advantage of the Government co-contribution. You can do this by making after-tax(non-concessional) super contributions before the end of the financial year. For every dollar of contributions

that are eligible, the Government contributes 50 cents to your superannuation up to a maximum Government co-contribution of $500. For the current (2017/18) financial year, the maximum Government co-contribution is payable for individuals on incomes at or below $36,812 and reduces by 3.33 cents for each dollar above this, cutting out completely once an individual's total income for the year exceeds $51,813. The Government co-contribution does not count towards either the concessional or the non-concessional contributions caps.

- ✓ **Tip 5: Saving for your first home through your super****
  As part of the Federal Government's housing affordability measures, and as part of the First Home Super Saver Scheme, from 1 July 2017 eligible individuals will be able to make voluntary superannuation contributions of up to $15,000 a year (and as maximum of $30,000 over more than one year), to their super account for the purpose of purchasing a first home. Withdrawals towards the purchase of a first home will be available from 1 July 2018 and administered by the ATO. Please note these voluntary contributions will count towards either the concessional or the non-concessional contributions caps.

- ✓ **Tip 6: Contributing the proceeds of downsizing your family home into super****
  From 1 July 2018, individuals aged 65 and over who sell their family home will be able to make an after-tax (non-concessional) contribution of up to $300,000 into their super. Please note this contribution will not count towards non-concessional contribution cap or the total super balance cap of $1.6 million. This may, however, affect your Centrelink entitlements, so it's important to seek professional financial advice, as per Tip 7.

- ✓ **Tip 7: Seek professional financial and tax advice**
  It is important to seek professional financial and tax advice before you make any financial decision with your super, so you are maximising your entitlements, minimising the applicable tax and you have enough saving and income to sustain your required lifestyle in retirement.

To find out more about how NESS Super and how we can help you and your employees check the fitness of your super, please contact Mynas Leontios, NESS Super's service representative on mobile 0448 432 443 or by email at mynasl@nca.asn.au. At NESS Super, we're here to help.

NESS Super is the super fund for the electrical, technology, communications, cabling and aligned industries.

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* ATO Lost and Unclaimed Super update, last modified 9 October 2017.

** Conditions apply for age 65 and over and total super balance cap of $1.6M. Contact your super fund for more details.

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