



WELCOME TO THE SPRING EDITION OF FFP NEWS

Is it time to Spring clean your financial plan?

Whilst you may be contemplating spring cleaning your home, the change in season also brings the perfect opportunity to review your financial goals. Now is a great time to talk to us and make sure your superannuation and insurance needs are on track.



Inside this issue we also take a look at what Trauma insurance is and growing your super when self-employed.

Please also note that our office will be closed on Friday, 28th September 2018 for the AFL Grand Final public holiday and on Tuesday, 6th November 2018 for the Melbourne Cup public holiday.

Kind regards, Rhys, Michelle and Michelle



Future Financial Planning

41 Queen Street, Warragul VIC 3820

Ph: 03 5622 3005

Fax: 03 5623 3541

Email: info@futurefinancial.net.au

Web: www.futurefinancial.net.au

What is trauma insurance?

Trauma insurance is a safety net that can support your family while you get back on your feet.

With one in two Australian men and one in three Australian women expected to be diagnosed with cancer by the age of 85¹, many families are learning first-hand how an illness can interrupt their lives.

But should the worst occur, the home loan and school fees will still have to be paid - on top of medical expenses - while you work towards getting better. Trauma insurance can help you achieve this.

How does it work?

Trauma cover provides you with a lump-sum payment if you're diagnosed with a specified medical condition - such as cancer or a stroke - undergo a specified medical procedure, or are seriously injured, as set out in the policy.

In most cases, once your claim has been approved, you'll receive your lump sum without a waiting period. And you don't have to be employed to receive the lump sum. So whether you're working or not you'll be able to recover without financial stress.

If you're a parent, you could consider insuring your children too. If your child becomes ill or injured as set out in the policy, a lump sum could help relieve the burden of your child's ongoing care.

As with any type of insurance, it's important to understand how much insurance you need.

What about private health?

Private health cover will generally only help pay your hospital and medical bills, and possibly some rehabilitation expenses, depending on the extras cover you have.

A trauma insurance lump sum can help you meet expenses on top of this, such as additional medical costs, repaying your home loan and other debts, covering the costs of rehabilitation or any modifications you may need to make to your home, in the case of a serious illness or injury.

Make sure you get back on your feet

It's easy to avoid thinking about challenging life experiences like an illness or injury. In fact, it feels better when we look on the bright side. But it's possible to be positive and practical at the same time, by insuring yourself for when you and your loved ones may really need it.

Speak with us today about how trauma insurance could help you and your family.

¹ <http://www.cancer.org.au/about-cancer/what-is-cancer/facts-and-figures.html>



Self-employed? There's still time to grow your super

While approximately 1.3 million Aussies run their own show, one in five has no superannuation at all.

Many Australians see self-employment as a goal worth aiming for. But running your own show can mean retiring with very little in super savings - one in five self-employed people have no super at all compared to just 8% of employees.

Self-employed women are especially hard hit. Among women aged in their sixties, the average super balance for wage and salary earners is \$175,000 - double the average balance of \$83,000 for women who run their own business.



Self-employed workers face unique hurdles

The Association of Superannuation Funds of Australia (ASFA) is calling for the Superannuation Guarantee, which underpins compulsory employer-paid super contributions, to be extended to include those who work for themselves. With around 1.3 million Australians running their own show, the idea certainly has merit.

However, as any self-employed person will know, it's not always easy finding the money to contribute to super. Spare cash is often re-invested in the business or set aside to cover tax bills. Self-employed people can face uncertain income streams, and it may seem sensible to squirrel money away for those times when income is sporadic or leaner than usual.

Make growing super a goal to work towards

Nonetheless, if you work for yourself there are some good reasons to contribute to super. For starters, it offers a source of income in retirement - one that could be more of a sure thing than relying on the sale of your business to fund life after work.

Adding to super may also provide tax savings today. If you're self-employed you can claim an annual tax deduction for up to \$25,000 in "concessional" (before-tax) super contributions. Incidentally, this cap now applies across all age groups - a change from previous years when older Australians were able to claim a bigger tax break for super contributions.

Concessional contributions are taxed at 15% within your fund. If this is less than your personal tax rate, adding to your super could be a very tax-friendly way to save for the future. That said, if you are a low to middle income earner, claiming all your super contributions on tax may see you missing out on the government's co-contribution scheme. It's an area where it pays to speak to your financial adviser to help you decide the right blend of before and after-tax contributions.

Small steps may generate big results

Super contributions don't have to be large or made via a single lump sum. It can be far easier on your cash flow to make small, regular contributions, and thanks to the power of compounding returns, even modest contributions could make a valuable difference to your final nest egg. An easy way to make growing super effortless may be to set up regular, automatic payments to your fund. Talk to us about an amount you can comfortably contribute to your super on a regular basis.

If you intend to claim a tax break for contributions to super, be sure to let your fund know in writing before you lodge your tax return for the current financial year. This is another area where we can offer the reassurance of professional support.

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