WELCOME TO OUR WINTER EDITION OF FFP NEWS

Welcome to Future Financial Planning News Winter edition.

With the end of the financial year nearly upon us, now can be a good time to check you're on track for a comfortable retirement.

If you would like a quick review with Rhys to check your financial plan is working towards your goals, call us today, and start the new financial year right.

Inside this edition we take a look at finding lost super and the latest superannuation legislation changes.

Please also note that our office will be closed on **Monday, 10th June 2019** for the Queen's Birthday public holiday.

Kind regards,
Rhys, Michelle and Michelle

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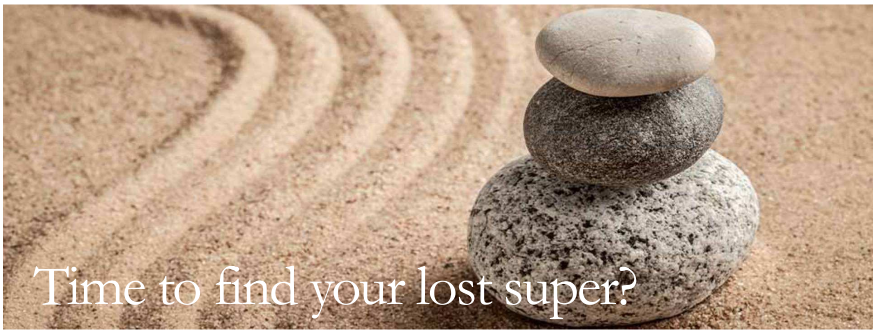
Australians tracked down $860 million in lost super in just three months - are you interested in doing the same?



You wouldn't maintain two bank accounts, two home loans or two insurance policies without good reason.

But when it comes to your retirement savings, for too many of us over the years it's been a case of 'out of sight, out of mind'.

It's all too easy to allow a new superannuation account to be opened when you change employers and then forget about bringing your super together.

While it may be that you've deliberately maintained more than one account to take advantage of specific benefits, if you're like many Australians you've ended up paying multiple sets of fees and charges because you haven't got around to taking action.

Taking control of your retirement savings

It's never been easier to sort out your super, as an increasing number of Australians are finding out. In the three months to December 2018, more than 66,000 people found and consolidated over $105,000 accounts worth more than $860 million from October to December 2018 using the ATO's myGov service[1].

But this still leaves over $17.5 billion in lost or unclaimed super.

If you think you might have lost or unclaimed super, and you happen to be an AMP customer, we can do the legwork for you.

As always you'll need to take your personal situation into account when deciding whether to bring your super together into one account. Closing super accounts means you may lose insurance within super so it's important to know exactly what you're losing and what you're gaining before making any decisions.

To help you weigh up the pros and cons of consolidating or if you have any questions, please call us today.

[1] https://www.ato.gov.au/Media-centre/Media-releases/Finding-super-sparks-$860-million-worth-of-joy/

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Superannuation changes (including Protecting Your Super legislation)

Interested to know what recent changes to superannutation legislation could mean for your retirement savings? Here are the key super rules in place.

Protecting Your Super reforms from 1 July 2019

These reforms are designed to protect Australians' retirement savings by ensuring their super isn't unnecessarily eroded by fees and premiums on insurance policies they may not need.

Insurance within super cancelled for inactive accounts
Super providers need to cancel the insurance in any super account considered inactive. An inactive account is any account that hasn't recevied any contributions or rollovers for more than 16 months.

Before taking action, your super provider must tell you that you're at risk of having your insurance cancelled and give you the opportunity to choose to keep your insurance. You can stop your insurance being cancelled be letting your super provider know that you want to keep your insurance.

Making a super contribution or rollover into an account that's considered inactive will also stop the insurance cancellation from going ahead. Making regular contributions can also prevent an account becoming inactive again.

The legislated start date for this measure is 1 July 2019. If your account is identified as inactive your super fund must attempt to contact you before then to give you the opportunity to choose to retain your insurance.

Inactive super accounts with low balances will be closed
Many inactive accounts with a balance of less than $6,000 will be closed, and the balance transferred to the Australian Tax Office. The ATO will then use data matching to connect these super accounts with an active account of the member where possible.

Cap on fees for accounts with low balances
Fees will be capped at 3% pa for accounts with $6,000 or less at year end.

Switch funds without paying an exit fee
You'll be able to switch super funds without paying a penalty as exit fees will be banned.

Other superannutation changes from 1 July 2019

Pension work bonus going up to $300 per fortnight
If you're working and receiving the age pension you could be entitled to the Work Bonus, which excludes some of your pay from the Centrelink income test. This bonus is increasing from $250 to $300 a fortnight, meaning you're able to keep more of your income, or work for short periods with little or no effect on your age pension.

Eligible retirees can make super contributions in the first year of retirement
If you're aged between 65 and 74 and you had less than $300,000 in your super account at the end of the previous financial year, you can still make voluntary contributions to your super in this financial year without needing to satisfy the work test. But you can only take advantage of this once - you won't be able to make contributions in subsequent financial years. This opportunity is also only available in the year immediately following the year in which you last met the work test.

Super co-contribution scheme threshold changes
If your total income is between **$38,564** (up from $37,697) and **$53,564** (up from $52,697) during the 2019/20 financial year, and you make an after-tax contribution to your super fund, the federal government will pay you 50 cents for each dollar you contribute to your super fund, up to a maximum of $500.

To be eligible for the co-contribution scheme, you will need to satisfy a work test, be under the age of 71, and have a super balance of less than $1.6 million.

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Catch-up concessional contributions allow eligible Australians to put more into super
This is the first year you can make additional catch-up concessional contributions using unused concessional contributions cap amounts from previous years, if you're eligible.

The ability to make a catch-up concessional contribution applies to people whose total superannutation balance was less than $500,000 on 30 June of the previous financial year.

The five-year carry forward period started on 1 July 2018 so the 2019-20 financial year is the first one when you can actually make extra concessional contributions using any unused super contribution cap from a prior year.

Work test rules still apply for people aged 65 or over and the usual notice requirements continue to apply for personal deductible contributions. And unused amounts can be carried forward regardless of your total superannuation balance but expire after five years.

Superannutation changes from 1 July 2018

Downsizers can make contributions to their super
Usually, people aged 65 to 74 need to satisfy a work test to make voluntary super contributions, while those aged 75 and over are generally unable to contribute to their super.

However, that changed on 1 Jul 2018, with people aged 65 or over now able to make contributions to their super of up to $300,000 using the proceeds from the sale of their main residence, regardless of their work status, super balance or contribution history.

For couples, both spouses can take advantage of this opportunity, which means up to $600,000 per couple can be contributed toward super.

To qualify, the contracts of sale must be exchanged on or after 1 July 2018. On top of that, the property that's sold also needs to have been your (or your spouse's) main place of residence at some point in time, and you need to have owned the home for at least 10 years.

Tax incentives for first home buyers
Eligible first home buyers can now withdraw super contributions that they've made since 1 July 2017 (up to a certain limit) to put toward their first home.

Under the First Home Super Saver Scheme (FHSSS), first home buyers who make voluntary contributions of up to $15,000 per year into their super can withdraw these amounts (in addition to associated earnings) from their super fund to help with a deposit on their first home.

You can use the FHSSS if:

- you live in the property you buy (or intend to in the near future as soon as possible) and
- you intend to live on the property for at least six months in the first 12 months that you own it.

If eligible, the maximum amount of contributions that can be withdrawn under the scheme is $30,000 for individuals or $60,000 for couples (plus the associated earnings).

To be able to withdraw this money, first home buyers must apply to the Australian Taxation Office and if they are eligible, a one-time-only withdrawal is permitted under the scheme.

Due to superannuation's favourable tax treatment, this initiative may help first home buyers to build a deposit more quickly and supplement their savings outside super.

Low income earners are entitled to a superannuation tax offset
For those earning less than $37,000, the ATO continues to pay the Low Income Super Tax Offset, which is a refund of contributions tax into your super account. If you meet the earnings criteria and concessional contributions are paid into your super account, either by your employer or yourself, you can expect a refund of up to $500 a year for the contributions tax deducted from the super contributions.

If you'd like to know more about how the super rules affect your retirement savings, speak to us today.