



WELCOME TO OUR AUTUMN EDITION OF FFP NEWS

Welcome to the latest edition of FFP News.

April has arrived, (seems yesterday it was Christmas!) and with it the cooler weather and some welcome rainfall for our gardens.

Inside this issue of FFP News we take a look at the high and low trends of a financial wellbeing report - we show the results of the fifth wellbeing report that has been carried out over the past ten years. We also look into Making Downsizer Contributions into your Super.

Please note our office will be closed on **Tuesday 25th April 2023** for ANZAC day public holiday

We hope you enjoyed your Easter break and all enjoyed some relaxing time with your loved ones.

We look forward to continuing to provide you with all of your financial planning needs throughout 2023.

Kind regards,
Rhys & Michelle



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Slow Cooker Winter Vegetable Soup with Split Red Lentils

4 - 6 SERVINGS Prep: 20 MINUTES Cook: 6 HOURS

Hearty slow cooker winter vegetable soup with split red lentils. This healthy slow cooker soup recipe is packed with vegetables, red split lentils, and finished with a drizzle of olive oil, chopped parsley, and parmigiano-reggiano cheese! Naturally gluten free (and vegetarian friendly: substitute vegetable broth in place of regular chicken broth).

Ingredients

- 2 tablespoons extra virgin olive oil
- 1 large yellow onion diced
- 3 celery stalks diced
- 3 medium carrots trimmed, peeled, and diced
- 2 medium zucchini ends trimmed and chopped into ¾-inch chunks
- 3 small Yukon gold potatoes scrubbed and chopped into ¾-inch cubes
- ¾ cup split red lentils
- 1 cup (240 mL) canned chopped tomatoes with their juices
- 2 pieces of parmigiano-reggiano rind
- 2 dried bay leaves
- 3-4 sprigs of fresh thyme
- 5 cups low-sodium chicken stock or vegetable broth
- salt and freshly ground black pepper
- 2-3 cups finely sliced savoy cabbage reserved for later

Instructions

Heat the olive oil in pan over medium heat on the stove. Add the onion and celery and sauté until tender, 5 to 7 minutes, before transferring to the slow cooker and continuing with the instructions below. Add the celery, carrot, zucchini, potatoes, split red lentils, chopped tomatoes, parmigiano rind, bay leaves, thyme, chicken stock, kosher salt, and black pepper. Stir together. Cook on the high heat setting for 4 to 6 hours, or until the red lentils are tender (or alternatively, cook on the low heat setting for 8-10 hours). In the last hour of cook time (or 2 hours, if you are cooking over the low heat setting), add the thinly sliced cabbage. Remove and discard the dried bay leaves, parmesan rinds, and any tough thyme sprigs. Adjust the seasoning to taste salt and pepper – you will most likely need to be liberal on the salt for this soup. Serve the soup and top each serving with a drizzle of extra virgin olive oil, a sprinkling of freshly chopped parsley, and freshly grated parmigiano-reggiano cheese.

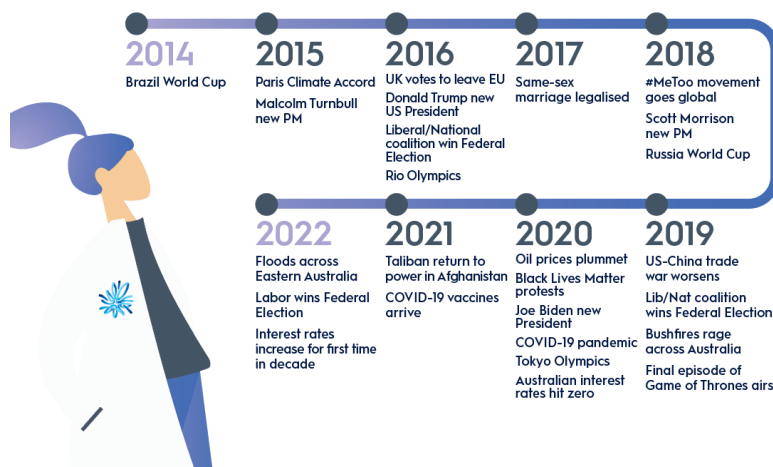


Highs and lows - tracking financial wellness over the years

If you think it's been a tough few years, you're not wrong. But there are ways to take control of your finances...starting with super

AMP's 2022 Financial Wellness report reveals that financial stress among working Australians is increasing after a four-year period of relative security.

This is our fifth report over the past decade and we're starting to see some trends appearing as we look back on a rollcall of prime ministers, presidents and pandemics.



The past is another country...

Back in 2014, Tony Abbott (remember him?) was in the Lodge, Barack Obama (and him?) was in the White House and almost three million of us across the country were tuning into My Kitchen Rules.

The first Financial Wellness report revealed quite a polarised country, with one in four working Australians feeling severely or moderately financially stressed while 37% of us were feeling pretty secure about our finances.

Two years on and plenty was happening on the global stage. The UK voted to leave the EU in a bombshell Brexit decision, Donald Trump won the US Presidential Election and our athletes were in Rio for the Summer5 Olympics, picking up 29 medals for 10th place overall.

Back home, the Liberal-National coalition won the Federal Election, returning PM Malcolm Turnbull to the Lodge.

And on the financial wellbeing front things were looking up, with fewer working Australians feeling stressed and more feeling secure.

...they do things differently there

Fast forward two more years to 2018 and Malcolm Turnbull's time as PM had come to an end, with Scott Morrison taking over. Globally the #MeToo movement was transforming culture and politics. And meanwhile there was a modest wedding ceremony over in England at Windsor Castle, with a certain Harry and Megan tying the knot.

In terms of financial wellbeing the positive trend continued, with a big jump of seven percentage points in Australians feeling secure - in fact, almost half those surveyed were pretty happy with their lot.

Then came 2020 - an annus horribilis if ever there was one. Oil prices were plummeting, inflation was starting to creep up and reports of an obscure coronavirus emerged to take centre stage.

The 2020 Financial Wellness report was conducted in the first wave of lockdowns and, perhaps as a result of widespread government assistance for individuals and businesses affected by restrictions, financial wellness peaked, with half of us feeling secure and only 14% moderately or severely stressed.

Beating the COVID blues

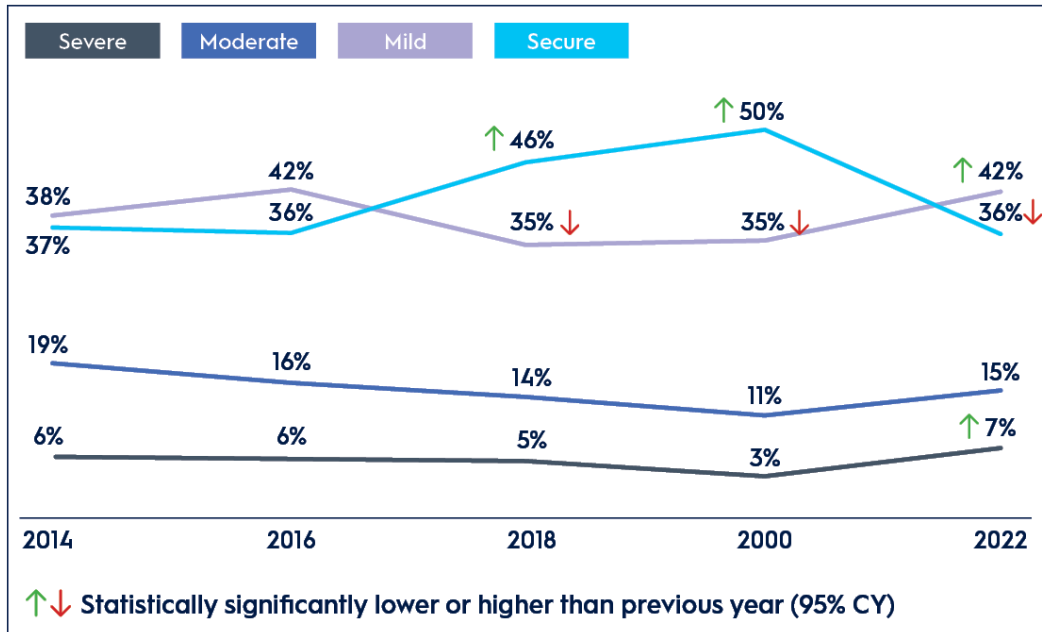
So, after two years dominated by COVID disruptions to our working and personal lives, how are we feeling?

Well it's fair to say the mood is darkening. With prices continuing to rise at the checkout and the bowser, the Reserve Bank of Australia has raised rates for the first time in a decade.

There's been a sharp fall in the number of working Australians feeling secure, down to 36%. And there's been a significant increase in severe stress to 7% - the highest proportion since the survey began.

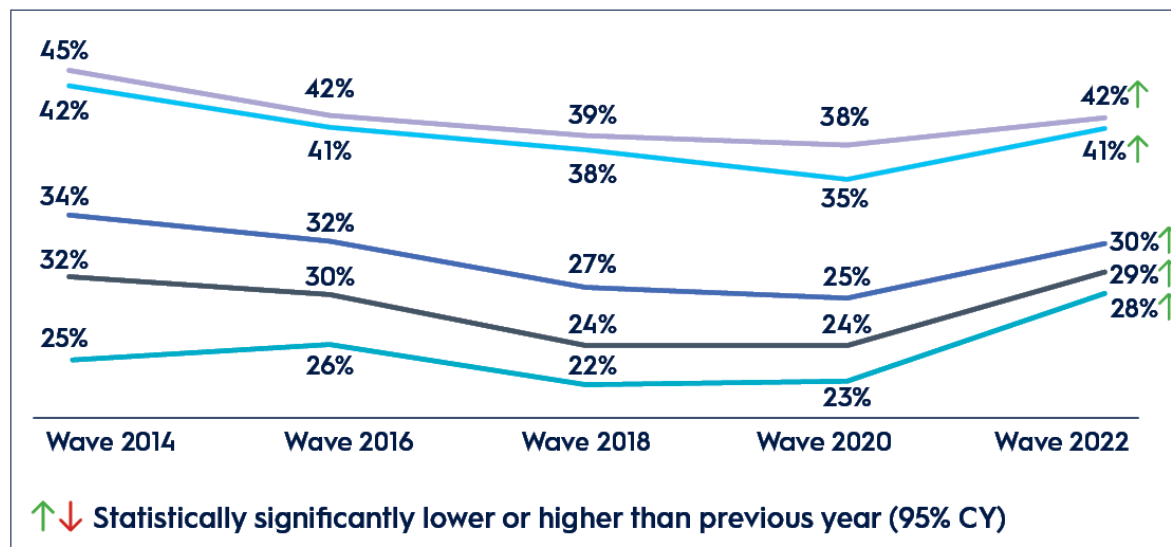
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Financial wellness index



More of us are feeling worried, anxious and guilty about our finances.

% Agree/strongly agree with each statement (7-10 score, 0-10 scale)



- I often worry about my financial security
- I am worried about the amount of debt I have
- Thinking about my personal finances can make me feel stressed and anxious
- Thinking about my personal finances can make me feel guilty
- I worry about how much money I owe

And in the workplace this means we're less energised, less vigorous and less inspired. But in line with previous reports, if you're older - or a man - you tend to be a bit less worried and a bit more satisfied with your financial situation.

It starts with super...

When times are tough it's understandable to focus on your day-to-day needs. After all, you need to put food on the table and keep paying the bills.

But as probably your biggest asset after the family home, super is the cornerstone of your long-term finances. So it could pay to get on top of your retirement savings...and taking control in one area of your finances could make it easier to start getting to grips with more pressing challenges like budgeting and saving.

Deciding what changes to make to your finances isn't always easy or straightforward, so please call us today for any assistance or to discuss what may be the best options for you.

Making Downsizer Contributions into Super

If eligible, older Aussies can put up to \$300,000 into their super using the money from the sale of their main residence, regardless of caps and restrictions that otherwise apply.

If you're looking to boost your retirement savings, you may be able to make a tax-free contribution to your super of up to \$300,000 using the proceeds from the sale of your main residence.

The age Australians can make downsizer contributions was reduced from 65 to 60 from 1 July 2022. The age will drop further to age 55 on 1 January 2023.

Here are some things you'll need to know if you're considering using the proceeds of the sale of your home to top up your super.



Benefits of making a downsizer contribution

Downsizer contributions provide a way to top up your super balance

Older Aussies, who haven't had the chance to save enough funds for retirement, may find that tax-free downsizer contributions provide a good opportunity to top up what they've saved to date.

- ◆ **No work test or upper age limits apply to downsizer contributions**
- ◆ **Annual concessional and non-concessional contributions caps don't apply** In fact, downsizer contributions can be made in addition to any concessional and non-concessional super contributions you may be eligible to make.
- ◆ **Downsizer contributions aren't subject to the \$1.7m total super balance restriction** You usually can't make non-concessional contributions into your super if your total super balance is \$1.7 million or above as at 30 June of the previous financial year. But this rule doesn't apply to downsizer contributions.
- ◆ **There are no requirements to buy a new home** If you sell your main residence and make a downsizer contribution into your super, you're not required to buy a new home with money you might make on the sale.
- ◆ **Both members of a couple can take advantage** For couples, both spouses can make the most of the downsizer contribution opportunity, which means up to \$600,000 per couple can be contributed toward super.

Rules and other considerations to be aware of

- ◇ Currently, you must be aged 60 or older to make a downsizer contribution, if you make the contribution before 1 January 2023, or aged 55 plus if you make the contribution on or after 1 January 2023.
- ◇ The property that's sold 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
- ◇ The sold property must be in Australia and excludes caravans, mobile homes and houseboats
- ◇ A downsizer contribution must be made within 90 days of receiving the sale proceeds
- ◇ A **downsizer contribution form** must be given to your super fund before or when making your contribution
- ◇ You can't have previously made a downsizer contribution to super
- ◇ The maximum amount of super savings (not including subsequent earnings) that can be transferred into a retirement pension increased to \$1.7 million on 1 July 2021, but not for everyone. Find out more in our article - [Transfer balance cap set to increase to \\$1.7 million](#)
- ◇ Downsizing your home may impact age pension eligibility.
- ◇ The costs involved in **selling a property and buying another one** (if that's also on the agenda) can be considerable, so you'll need to take into account any additional property-related costs
- ◇ Downsizer contributions are not **tax-deductible super contributions**.

Where to go for more information

Depending on your situation, other rules may apply, so if this may apply to you call and chat with Rhys.

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