More super less tax

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Saving more super could be easier than you think

If you're 50 or over, there are some things you can do today that may help increase your wealth and reduce your tax now and in retirement.

How? One way is by putting some of the money you'd have otherwise paid tax on, straight into your super[1]. Or if you're self-employed, you could take advantage of the same benefit by claiming a tax deduction for the money you contribute to super (up to $35,000 this financial year).

There are many things to consider before making additional super contributions (including when you can access the money invested in super), but your financial adviser can help you work out if this is right for you.

Take a look at the example below comparing investing in super and investing outside of super.

Investing in super

$10,000
of pre-tax salary contributed to super

$1,500
is paid in tax
(15% tax rate)

$8,500
is invested

Paid
$1,950
less in tax
(more invested in super)

Investing outside super

$10,000
of pre-tax salary

$3,450
is paid in tax
(34.5% marginal tax rate[2])

$6,550
can be invested

This example is based on a person aged 50 or over with a taxable income of $70,000 pa and who will not exceed their contribution cap. It does not take into account fees and charges, and is for illustrative purposes only.

Find out how these opportunities could help you maintain the lifestyle you want. Speak to your financial adviser today.

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What you need to know

1 Annual contribution caps apply. If you contribute more than these caps, you may have to pay extra tax. Currently, the pre-tax contribution cap for individuals who are 50 years old or over is $35,000.

2 Includes Medicare levy of 2% pa.

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