Summer 2018

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*The team at Key Financial Planners wish you a safe & Merry Christmas and a Prosperous New Year!*

*We would like to thank all of our clients for working with us this year, and we look forward to supporting you in 2019.*

## IN THIS EDITION:


# MONEY MATTERS FOR 2019

**December 2018**

***The start of a new year is a great time to review your finances. Here are some recent changes and new opportunities to consider in 2019 and beyond.***

## First home deposit

Voluntary super contributions made since 1 July 2017, may now be withdrawn to buy a first home under the First Home Super Saver Scheme (FHSSS). The FHSSS allows eligible first home buyers to save their deposit in the concessionally taxed super environment.

## HECS and HELP debts

From 1 July 2019, students and graduates who earn $45,881 pa or more will need to start repaying their HECS and HELP debts. Currently, repayments don't need to be made until $51,957 pa or more is earned. Repayment rates will also change, and a lifetime debt limit will be introduced.

## Instant asset write-offs

Small business owners may be able to claim an immediate tax deduction of up to $20,000 when purchasing certain assets before 30 June 2019. From 1 July, the claimable amount will reduce to $1,000.

## Catch-up super contributions

Super fund members, who make concessional contributions of less than the cap of $25,000 in 2018/19, may be able to contribute more than the cap amount in 2019/20 and beyond. This could enable 'catch-up' super contributions to be made in future financial years. Concessional contributions include all employer contributions (super guarantee and salary sacrifice), personal contributions claimed as a tax deduction and certain other amounts.

## Super work test exemption

The Government has released regulations to allow retirees aged 65 to 74 with 'total super balances' below $300,000 to make voluntary super contributions in the first year they don't meet the 'work test' from 1 July 2019. This measure gives eligible recent retirees more time to make super contributions before they become ineligible. Currently, 65 to 74 year olds need to have worked at least 40 hours in 30 consecutive days in a financial year to be able to contribute to super.

## Downsizer contributions

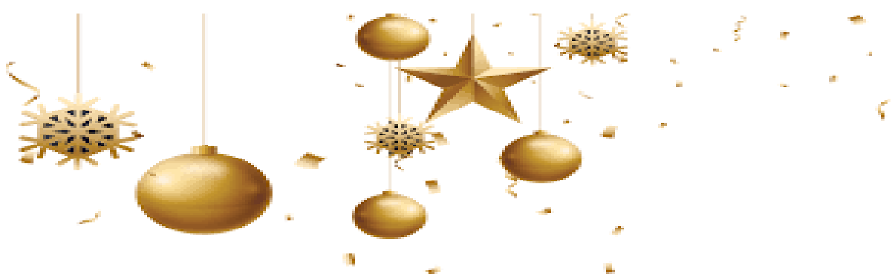
Super fund members aged 65 or over may be able to contribute up to $300,000 per person to super from the sale of their home after 1 July 2018 if they meet certain conditions. These ‘downsizer’ contributions don’t count towards the concessional and non-concessional contribution caps and can be made without needing to meet the **usual age, work and other contribution tests.**

## Tax offset for aged care costs

For the 2019/20 and subsequent financial years, aged care residents will no longer be able to claim a portion of certain care costs (such as daily care fees and means-test fees) as a tax offset when they complete their tax return. This could increase the income tax payable by some aged care residents.

## Need help?

We can help assess whether any of these opportunities suit your needs and situation and make suitable adjustments to your financial plans.



# SMART SAVING FOR YOUR HOUSEHOLD

Imagine always having spare income to add to your investment so that your money is constantly working harder for you? According to Simple Savings' Jackie Gower, it's not a pipe dream with these common sense tips for cutting expenses.  Curtailing your spending is no easy feat, especially if you have a family. But there are some simple ways to cut back that may mean a bigger investment portfolio.

## Food

Usually the biggest bill in any household, but luckily, it's one of the easiest to diminish. As the TV chefs always say, cooking at home is the key. "We know of families who've reduced their weekly food bill by as much as 50% as a result of menu planning," Jackie reveals. Also, look beyond the supermarket. "Taking the time to shop around your local butcher and greengrocer can result in valuable savings.

## Utilities

The answer to saving here, Jackie says, is to review and compare. Do your research and check out deals from different providers. This is not the most exciting task, but Jackie estimates one to two hours on the phone or online could save you several hundred dollars a year.

## Petrol

Potentially another large household expense. "The best way to cut-back on petrol is not to use it. Walk, ride or use public transport whenever possible. Car-pooling is also a great cost-saver. Make a list of your errands over a fortnight and try to get them done in the same area at once.

## Entertainment

Everyone automatically reaches for their wallet here, but fun can be reasonably priced, or even free. Check out exhibitions, markets, walks and local fairs. Host a movie or games night, or pack a picnic and head to the beach or a national park. And, instead of buying new toys, join the local library or toy bank if available. The kids can play with exciting 'new' toys as often as they like - for free," she adds.

## More thrifty hints...

If you're terrible with money, downloading an app to track spending could be your salvation. "One tried-and-true app is Track My Spend" our expert says.

Finally, if you really struggle with self-control, many banks offer accounts with online-only access, or require you to go in to make a withdrawal. This can prevent you going on mad sprees with your EFTPOS or credit card.  The important thing is to take the first step, as Jackie affirms, "Aim as big or small as you like. Any saving is a good saving."