

INFORMING

YOU

MAKE SURE YOU'RE A-OK FOR EOFY

How do you best prepare for the end of the financial year? Adopt some of this advice and it could make a real difference to your financial position.



Usually as we approach the end of financial year (EOFY) we begin thinking seriously about tax effective spending and investing, extra concessional contributions to superannuation and financial spring cleaning.

It's often the only time of year that we know how much we're able to afford in terms of extra super contributions. EOFY is also a great reminder to take a step back and check how you're going in terms of savings, debt, investments and more.

But how do we best take advantage of this valuable urge to get our financial affairs in order? The best way to start is to be fully across your financial position in the lead-up to EOFY. This helps you avoid financial shocks and helps you make informed decisions.

Don't be afraid to ask yourself questions. How much super have you contributed this financial year? How much are you allowed to contribute? How much cash do you have? What expenses are coming up and what can you pre-pay? What are your debt levels?

It's wise to avoid getting too close to the end of financial year and realising you could put some extra super away before June 30, only to discover it's too late as you wanted it done through salary sacrifice and you may only have one pay period left to do it, or you've missed your super fund's end of year cut-off time for contributions to be made.

What's even worse is when you get to the end of June and realise you should have stopped salary sacrifice a month or two earlier because you've exceeded your contributions cap and now have to pay extra tax.

This is the time of year to begin a regular financial health check regimen. If you've got a savings, investment, superannuation or repayment plan for instance, then it's a good idea to write down at least once a year a summary of your overall financial position. Even better, do it monthly. How much do you have in the bank? How much do you owe on your credit card? How much has your mortgage been paid down? What are your investments worth? How are you tracking compared to last month or last year etc.?

Writing down and keeping the results means you can constantly track your performance, identify when your strategy is not working and ensure you are always on the way to your desired goal. EOFY is the perfect time to kick-start such a discipline as each year, at the same time, you will be reminded to re-visit your financial health check.

It's also important to seek financial advice in the lead up to EOFY. Your financial adviser will be aware of the latest regulations and policies, especially around the topics of super contributions caps and tax rules, and can discuss any upcoming changes, which often apply from 1 July.

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There is a lot that can be done leading up to the end of the financial year that can improve your position, especially if you have first developed an understanding of what your position is and how you want that to change. Don't be afraid to seek advice from your financial adviser and to ask the right questions from the right person.

SPEAK TO US FOR MORE INFORMATION

Speak to us if you would like to understand more about how this information might impact your financial situation.

IMPORTANT INFORMATION

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