Tax Planning and Year End Preparations

30 June remains the deadline for end-of-financial-year preparations.

Trustees have a strong duty to ensure that they are complying with current and past legislation requirements that could affect your fund.

Trustees should complete their annual review to ensure they are meeting their obligations under the SMSF rules and guidelines.

SMSF – some tax planning and year end preparations and why

	IF YOU.....	YOU MAY WANT TO	SO YOU CAN
Review Asset Values	Have assets at year end	Ensure you have their market value ready as at year end values. Property must be re-valued every three years.	Meet audit requirements. Member balances properly reflect asset values, especially for an individual's Total Super Balance (TSB) and pension payments.
Investment Strategy	Trustees responsibility	Complete this annually, formulate and implement and be in writing.	Comply

	IF YOU……	YOU MAY WANT TO	SO YOU CAN
Trustee decisions documented	Trustees responsibility	Complete minutes of decisions	Comply
Collate documents	Trustees responsibility	Perform the End of year finalisation of your file	Comply
Estate planning	Trustees responsibility	Wills, Binding Death Nomination Forms and Letter of Wishes are up-to-date	Wishes are upheld after death
Contribution Strategy	Maximise deductible contributions (concessional contributions)	Review concessional cap for 2025FY is $30,000	Maximise tax deduction
Re-contribution Strategy	Pension re-draw	Redraw your pension from your fund and re-contribute amounts to the fund	Reduce tax, while maintaining your same net cash balance in your Fund.
Concessional Contributions (CC)	Are able to carry forward your used concessional contributions cap amounts from **1 July 2020.** **Ensure you have met your non-concessional (after-tax contributions cap of $120,000.**	The first year in which you can increase your CC Cap by the amount of unused cap is 2020-2021 but only if you have total superannuation balance of less than $500,000 at the end of 30 June in the previous year. Or accessed the **bring forward rule** of 3 years. See Rules in legislative changes.	Unused amounts are available for a maximum of five years and will expire after **30 June 2025.** Maximise your balance in super for retirement.
Personal Concessional Contributions (after-tax)	Personally, contribute after tax monies into super.	Contribute an amount less than $30,000, which includes your mandated super contribution made by your employer.	Claim a personal deduction for personal superannuation contributions from your salary and wages

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COVID – 19	Was temporarily reduce pension payments on common pensions and account-based pensions and market linked pensions	Withdraw was only 50% of required pension for 2020 -2023 financial years. Some amended their pension strategy to meet the 'new min pension standards'.	Reduced the cashing of assets at lower market value and/or assets that are not paying out so much dividends/interest/rent. Ensured that the min pension payment is made to avoid paying tax on investment income at 15%, verses tax free.
	Lodgement date of 30 June 2024 is in place for all SMSF trustees. The $1.6M transfer cap applies to members who are receiving a pension.	This ensures you are receiving a tax-free status on assets that support a pension. Ensure you are aware of the consequences of excess transfer balances and avoid exceeding the cap.	Different total superannuation balance thresholds exist for SMSF. Ensure you are aware of your funds total superannuation balance especially if contributing, have exempt pension income or transfer balance account reporting.
Pension payment	Are a pensioner	Must pay minimum pension prior to YE. Refer to table re age and min pension percentage	Comply

This information is of a general nature only and is not intended to be specific advice on any particular matter. KHCA strongly suggests that no person should act specifically on the basis of the information contained herein but should seek appropriate professional advice based on their own personal circumstances, particularly as legislation changes are occurring.

Need help?

If you need assistance with any aspect of your end of year planning, contact your adviser from the KHCA team.