MLC TechConnect

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EOFY – adviser strategy checklist

The end-of-financial-year (EOFY) is a great time to identify whether you have taken advantage of key financial planning strategies for your clients. The indexation of the contribution caps and Stage 3 tax cuts from 1 July 2024 create new considerations and opportunities. Use the checklist below to ensure you implement key planning strategies.

Client's name:

- [ ] **Benefit from greater tax savings by making CCs by 30 June 2024**

  Using the concessional contributions (CC) cap and catch-up CCs in the current financial year may provide greater tax savings, given the more generous tax rates and thresholds that apply from 1 July 2024 (the Stage 3 tax cuts).

- [ ] **Last chance to utilise unused CC cap from 2018/19**

  This financial year is the last opportunity to utilise the unused CC cap from 2018/19. To use catch-up CCs, total super balance (TSB) at 30 June 2023 must be less than $500,000. Any personal deductible contribution must not exceed the client's income. The work test or work test exemption must be met if the client is aged 67 to 74 at the time of contribution.

  Note: The CC cap for 2023/24 must be used in full before drawing on any unused amounts from 2018/19.

- [ ] **Make a personal contribution to claim a tax deduction**

  The client can reduce their taxable income in the current financial year by making a personal tax-deductible super contribution, which must be received by the super fund on or before 30 June 2024.

- [ ] **Don't miss chance to claim or amend a personal tax deductible super contribution**

  If eligible, 30 June 2024 is the last chance to submit a notice of intent to claim a tax deduction/variation for 2022/23 contributions. Depending on circumstances, the client may have been required to provide the notice earlier. For additional information refer to **Steps to claiming a deduction for super contributions**.

- [ ] **Don't bust the caps**

  Review or implement a salary sacrifice agreement for 2024/25, given the increase in the CC cap, maximum earnings base and Super Guarantee rate to 11.5%.

Don’t miss the chance to make super balances between spouses more even

Submit a contribution splitting notice for splitable super contributions made in 2022/23. Assists eligibility for measures linked to TSB and with the application of the transfer balance cap.

Consider options to maximise non-concessional contributions (NCCs), subject to the client’s TSB.

Note: *The annual NCC cap increases to $120,000 from 1 July 2024.*

Option 1: If the client is currently in an NCC bring forward period, consider using any unused bring forward amounts.

Option 2: If the client is less than age 75 at 1 July 2023, consider using NCC bring forward if not currently in a bring forward NCC period, allowing up to $330,000.

Option 3: If the client is less than age 75 at 1 July 2024, consider taking advantage of the increased NCC cap of $120,000 from 1 July 2024. Limit NCCs made in the current financial year to the annual cap of $110,000 and make NCCs up to $360,000 in 2024/25.

The previous 30 June TSB may limit the amount of NCCs:

TSB (30 June 2023)	2023/24 NCC Cap	TSB (30 June 2024)	2024/25 NCC Cap
< $1.68m	$330,000*	< $1.66m	$360,000
1.68m to < $1.79m	$220,000*	1.66m to < $1.78m	$240,000
$1.79m to < $1.9m	$110,000	$1.78m to < $1.9m	$120,000
$1.9m +	Nil	$1.9m +	Nil

* When triggered in 2023/24, bring forward cap will not change when NCC cap is indexed on 1 July 2024.

Contributions must be received on or before 28 days following the end of the month the client turns 75.

Consider the timing of contributions to manage a client’s TSB and future contribution opportunities

Consider the timing of NCCs, the impact on a client’s 30 June 2024 TSB and eligibility for other measures in the 2024/25 financial year. Similarly, consider whether Downsizer and CGT cap contributions can be made on or after 1 July 2024 within their required contribution period.

Qualify for the Government co-contribution

Make NCC to receive the Government co-contribution of up to $500.

To be eligible, at least 10% of income must be from employment or self-employment and income is less than $43,445 (phasing out completely at $58,445).

Boost a spouse’s super and help manage tax

Make a spouse contribution to receive a tax offset of up to $540. To be eligible for the full tax offset, the recipient spouse’s income must be less than $37,000 (phasing out completely at $40,000).

Review income stream opportunities

Review clients who have satisfied a condition of release but haven't commenced a retirement phase income stream. Starting a retirement phase income stream will provide tax free investment returns on assets that support the income stream. Consider the overall financial planning objectives of the client.

Don't fail the pension standards

Satisfy minimum pension payments for SMSF members by 30 June.

Age	Minimum pension payment
Under 65	4%
65 - 74	5%
75 - 79	6%
80 - 84	7%
85 - 89	9%
90 - 94	11%
95 or more	14%

Maximise Centrelink entitlements

Consider using allowable Centrelink gifting limits. Limited to $10,000 per financial year and $30,000 over a five financial year rolling period.

Consider deferring retirement or redundancy to 2024/25

The client may:

- have less income in that financial year
- pay less tax under the revised Stage 3 tax rates,
- benefit from indexation of the ETP cap and, in the case of a redundancy, indexed thresholds for calculating the tax-free redundancy payment.

Pay expenses and manage tax

Consider paying or prepaying tax deductible expenses, for example:

- income protection insurance
- charitable donations
- pre-paid interest on income-producing loans.

For additional information on pre-payment of expenses, refer to the **ATO website**.