

Media Release

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Review super now to gain tax benefits

The global financial crisis has produced a raft of challenges for investors but it's not all doom and gloom for those who are planning their retirement fund.

Chris Kennedy, William Buck Director of Financial Services, says that now is a great time for people to review their structure and consider transferring assets into superannuation as lower market values now will help control Capital Gains Tax (CGT) associated with these transfers

According to Chris, superannuation is generally the best vehicle for retirement savings but often the CGT applicable on transferring existing assets into super can make the strategy less appealing.

"Because the share market is down, if you have assets in your name or in a family trust that you are planning to use for retirement, now is a good time to consider putting them into a super fund because the CGT on transferring those investments will either be very low or, if the asset has made a loss, there will be no CGT.

"Tax is always an important part of total returns in a portfolio, but people don't really pay attention to that side of things.

"If you can get a better return from the current environment that will improve your overall position from a tax and investment perspective, then people should make the most of that opportunity."

Findings from an Investment and Financial Services Association survey conducted in October revealed that one in five respondents (21%) aged between 18-64 had used a financial planner for their super planning in the past two years and those approaching retirement were more likely to seek professional advice with 35% of respondents aged 50-64 saying they've seen a planner for their super in the last two years.

Chris advises people to be judicious about reviewing their assets in the current economic climate.

"Taking professional advice when you have a sizeable amount of money is always worth doing at least annually but it is vital to review your financial situation in times like this to ensure your portfolio is in as good a condition as it possibly can be.

"In relation to the assets that anyone holds in their super funds, it is always prudent to get them professionally and independently reviewed, particularly funds worth more than \$500,000."

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