



WITH
MARINIS

**AUTUMN
2008**

In preparing any advice in this magazine Financial Strategies (SA) Pty Ltd ACN 083 005 930 trading as Marinis Financial Group, has not taken into account any particular persons objectives, financial situation or needs. Investors should, before acting on this information, consider the appropriateness of this information having regard to their personal objectives, financial situation or needs. We recommend investors obtain financial advice specific to their situation before making any financial investment or insurance decision.

Theo Marinis and Financial Strategies (SA) Pty Ltd ABN 54 083 005 930 t/a Marinis Financial Group are Authorised Representatives of Apogee Financial Planning Ltd ABN 28 056 426 932, an Australian Financial Services Licensee Registered office at 105-153 Miller Street North Sydney NSW 2060.

Contents & Credits

02	Distinctly Different
03	How to get set in 2008
05	Maria Wyman
07	Government must act on super anomaly
08	Death taxes are alive and well!
09	SA's calendar of events 2008
11	Sexy Super? (Yes, we are serious!)
13	Ivana Samra
14	Now Sorted!

Art Director: Ante Juricin
Editor: Simon Morgan
Photographer: Angie Doughty-Garside

Special thanks to Maria Wyman

Marinis Family

Theo Marinis
Julie Marinis
Rob Hoepner
John Thomson
Ivana Samra
Mike Sherriff
Lori Sherriff
Keryn Johnson
Adrian Wilson
Mark Laing
Dino D'Aloia
Donato D'Ettorre
Jonathon Petineris

Marinis Financial Group

67 Kensington Road
Norwood 5067
South Australia
phone: (08) 8130 5130
www.marinisgroup.com.au

Distinctly Different

Welcome to 2008 – and the second edition of Grow – and thank you to all the people who have given me their feedback on the first edition.

Looking forward from an economists perspective, I am very excited about the future of the Australian economy. I think we have many reasons to look forward to the continued good times, including the development of China and India and also as we re-engage with south-east Asia.

This is all great news for investors.

On the down side, we are all getting older. This means we need to take responsibility for ourselves and our future wellbeing.

I have introduced a new service called Now Sorted! which is about bringing together all the important documents in our lives, such as insurance policies, wills, superannuation and other investment information and putting their details in the one report to make life easier for an executor or trustee. (Please see the article on page 14)

Julie and I recently went through the Now Sorted! process – and I can assure you it gives us both a great sense of peace. That's why we want to extend this service to our clients.

2007 was a great year for Marinis Financial Group. We are humbled by the quality of the people we serve. Market conditions and legislative changes meant we were run off our feet – and all the activity lead to a profitable year.

As well as making sure our team shared in the financial success of the business, we also extended our

“family” (which for us includes our clients and our staff) to three organisations we now support – Make a Wish Foundation, The Women's and Children's Hospital Neo Natal Intensive Care Unit and the Childhood Cancer Association Family Service. Each was selected because of a special relationship with a member of our work family.

We welcome any suggestions from our client family about who they think Marinis Financial Group should support in 2008 and beyond.

I would, in the meantime, encourage all readers of Grow to think about their own financial and personal plans and compare them to last year. Has anything changed?

Please don't hesitate to raise any issues or concerns you may have with me or any of the team during your next appointment. No question is silly and no point too minor to raise. As I constantly remind our team, we only exist to provide the kind of service our clients want – if we are not delighting you, we should not be in our business.

To help you and your family understand the very complex financial services industry, I have written a book over the past few months called “Sexy Super?” It is meant to fill the gap between newspaper articles and very dry university text books. I'll be making sure copies are available for all members of the Marinis Group Family who may be interested – and will be selling them to others. (Please



see the article on page 11)

On behalf of the team, I'd like to wish you all a very prosperous, happy and safe 2008. We look forward to being a part of your journey.

A handwritten signature in black ink, appearing to read 'Theo Marinis'. The signature is fluid and cursive, with a large loop at the end.

Theo Marinis

Proud Family Member
Marinis Financial Group

How To Get Set In 2008

The New Year brings with it the opportunity to put behind us all our oversights and failings, to clear the decks and start again – even when it comes to our financial affairs.

The first message is: Don't panic. In financial matters, the past is the past and we can look forward with optimism.

To help everyone prepare for 2008, Marinis Financial Group (MFG) has put together the following list of thoughts to get you started in the right direction.

→ Are your insurances up-to-date? Home, car, life and income protection.

→ If you are working, are you salary sacrificing – and can it be increased? (You may receive a pay rise or bonus which can be directed towards your long-term savings without impacting your present lifestyle.)

→ Has anything changed from last year which will affect you financially? (You or your partner may become eligible to receive the Federal Government's co-contribution to superannuation or some other kind of payment.)

→ If you are over 55, with a mortgage and still working, should you be paying "interest only" repayments on your home and injecting the principal component into your superannuation?

→ Will you have any spare cash to contribute to your children/grandchildren's superannuation account? (The impact of a dollar contributed today into superannuation will be multiplied X times over 30 years – so it is a great way to help future generations.)

→ Have you considered what your retirement date will be? (Based on our experience, we would suggest discussing this date with your boss just two months before – this way it gives your employer time to plan for

your replacement but does not leave you a 'lame duck' in the office. If you plan to retire this year, have you considered what hobbies you wish to pursue in retirement and any holidays you wish to take – and how you will fund everything?)

→ Have you done your estate planning? (Do you have an up-to-date will? Are all your personal papers and their details recorded in the one place? See the article on the Now Sorted! system in this edition of Grow.)

→ Have you planned your annual physical health check up?

→ Have you made an appointment with your financial planner to review your 2008 financial situation?

Superannuation and retirement legislation have been a little like new models of the Ford motorcar, they just keep getting better. But what is really different about super and investment legislation is that if the new rules are less favorable, they have traditionally been 'grandfathered,' says Marinis Financial Group financial strategist Theo Marinis.

"It has been like buying a six-cylinder 1997 Ford Falcon and every year being given a better motor – but if they make the new model engine smaller, you get to keep the larger one," Theo said.

"I am very confident the new government will not do anything detrimental to the super system as it was Labor Treasurer (later PM) Paul Keating, back in the early 1980's who was the father of Super.

"If anything, we may see a gradual move towards 15% in compulsory super contributions as this is much closer to the level of saving required to realistically fund retirement."

For more information please visit the Marinis Financial Group website at www.marinisgroup.com.au.



“The real challenge ahead in 2008 is educating young people to not overlook their super savings campaign,” Theo said.

“Basically, as a result of caps introduced by the last government, there is now a limit to how much superannuation can be saved eg. \$50,000 per annum if under age 50 years of age and \$150,000 (or \$450,000 over 3 years) of non concessional contributions if under age 65. While this is a lot of money, particularly for someone starting out, it may not be enough for a person in a high paid role who no longer has a mortgage and their children are financially independent.

“The secret to superannuation success is to put away as much as you can as early as possible.

“Traditionally, Australians over 50 have been the major contributors to super, making a last gasp attempt to build up their savings. As a result of the new rules, this will not be as practical a strategy as it once was.

“It is Marinis Financial Group’s view that the \$50,000 cap on contributions will be dramatically increased by future governments when it becomes clear that the current generation X, which is paying off homes at ever increasingly high repayment rates as a percentage of income, will not have been able to put sufficient levels of funding away. They too will need a final sprint to the retirement savings finish line once their financial burdens are lifted.”

Client Profile



Maria Wyman with daughter Melissa and granddaughter Ella

Maria Wyman

With regular babysitting gigs and a full diary of family commitments, Maria Wyman is not exactly slowing down. A mother of 2 and grandmother of 5 (3 of whom were born 14 months ago within 3 days of each other!), her days are filled with dummies, bottles and nappies... complete with toys, portable cot and stroller. Afternoon naps are for the grandchildren only!

Her passion for recipe reading (but not always recipe cooking, funny enough!) is a family joke, and one her husband Robert had great fun teasing her about. "Not another recipe book!" was commonly heard, followed by his laughter in the home they shared together for 42 years. "I don't see too much cooking going on!" he would claim.

Robert and Maria were Silver season ticket holders to the Adelaide Crows, enjoying their time together with the kids "off their hands". Another favourite pastime included driving adventures, spontaneously taking off into the sunset to explore new roads, dusty lanes and landscapes when the whim took them.

But sadly, Robert passed away two years ago this April. Maria's memories of him and their life together fill room after room in their home. In her heart they are always married, and always will be.

One of Robert's legacies to Maria and the family he loved was an introduction to Theo Marinis and the Marinis Financial Group. Theirs is a relationship built on six years' trust, advice and results, with Maria having full confidence in Theo and his talented team.

"I have absolute faith in Theo. He is extremely honourable, his level of integrity is something that is never compromised" states Maria. "I am not a special client with the largest account, but Theo always treats me like I am."

Passing the government exams after leaving school, Maria was to be placed in public service with the Police Department. However while waiting for her letter giving details of her placement position she struck up conversation with the postman. "Do you want to earn some pocket money?" he asked. "Take a short walk around the corner to the tax accountant, he's looking for some help". And that was that, as they say.

Five years ago Maria was forced from her job by cancer. Finishing the last of her four days' work for the week, Maria left the office tidy and organised on Thursday night, planning to return first thing Monday morning, as usual. But this was not to be. Instead, she ended up in hospital fighting, and eventually beating, cancer.

"Sometimes the most unexpected can happen. As a result of this experience I have learnt to really value life and professional advice. I have complete trust in Theo and his team. He makes it clear I can ring or visit him whenever I have a concern and that is really reassuring to me, being on my own. It's a good feeling," Maria acknowledges.

Maria Wyman's faith in the Marinis Financial Group team is heart-felt. She feels comfortable and well looked after at a time when her world is somewhat uncertain. She knows the team has her best interest in mind. She trusts them to look after her superannuation needs and, in doing so, help her look after the next generation.

Meanwhile, among the toys and recipe books, Maria continues to cherish the past and look optimistically towards the future. A future that at this very moment is leaving muddy little hand prints on the nice, clean walls...

Government Must Act On Super Anomaly

14 March 2008

Ill informed people could be paying 93 per cent tax on some of their super as a result of regulation changes introduced on 1st July and the new Government should move quickly to amend this anomaly, according to Adelaide-based financial strategist Theo Marinis.

“Under the old Reasonable Benefit Limit (RBL) system if a person had inadvertently over-funded, financial advisers had strategy options to deal with this; for example keeping the money in super, starting a non-rebatable pension or try a self managed super fund RBL compression strategy which would either defer the problem or eliminate it altogether,” said Theo.

“Shockingly, under the new system, if you exceed the cap you get penalised; no ifs, buts or maybes!”

“Therefore it is vital that clients check with their financial adviser to ensure they do not over-fund.”

“If you look at the example of a conscientious Doctor who consults to a Public Hospital and receives super-annuation from it as well as making his or her own contributions from their private practice, they will need to tell their financial adviser up front exactly how much super is being contributed as a result of all their work.”

“There is no point contributing \$100,000 too much to super just to see the tax man get \$93,000 of it due to poor planning - 46.5 per cent from their salary and 46.5 per cent in penalty - leaving just 7 per cent for themselves, if they innocently contribute above the Government’s superannuation caps.

“The most recent changes to super policy have effectively turned the ‘funds funnel’ on its head. In the past, the funnel narrowed at the Reasonable Benefit Limit, \$1.2 million for a couple before the 30 June 2007 change, but it was wide open when it came to putting cash in to super.”

“Now the ‘funds funnel’ is tipped upside down, with the limit being on how much you can put in, with as much as you like falling out the bottom.”

“Either way, the legislation still severely limits how much wage and salary earners can put into their retirement savings. Instead of being stung for excess benefits, you now get a bigger tax penalty for excess contributions!

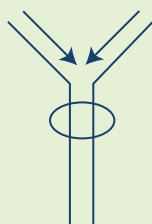
“I find this repugnant. If a person wants to save for their retirement and has the ability to contribute a significant sum in one year, they should be allowed to contribute as much as they can afford. The government will still recoup its tax cut via the GST when the money is consumed.

“The new ‘Better’ super rules are also a disincentive for retirees to hang on to their money, which would leave many people without any retirement funds too early in life, a situation we all want to avoid.

“The new Federal Government should act decisively in the upcoming budget to remove this penalty for those who are working so hard to provide for their own future.”

“Old” RBL (Reasonable Benefit Limits) System

Relaxed Contribution
Rules



up to 46.5%
penalty tax

RBL tax penalties plus
Non RBL lump sum payment penalties

v's

“New” Contribution Cap (Claytons Contribution RBL) System

Fixed Dollar Non Concessional Cap &
Fixed Dollar Concessional Cap



up to 93%
penalty tax

Relaxed Payment Rules

Death Taxes Are Alive And Well!

3 April 2008

As crazy as it may seem, without good advice and careful planning, a person who worked hard, saved hard and used the government's own superannuation system to maximise the benefits may inadvertently leave a 16.5% Death Tax for their estate to pay (possibly after as much as 15% Capital gains tax has already been deducted by the super fund trustees) if they die after age 60.

However, with good financial advice "the only certainty in life now is death, tax is optional," says Adelaide based financial strategist Theo Marinis.

"This anomaly particularly affects those without financial dependants, which is a growing sector of the community as life expectancy increases," he said.

"One way around this government Death Duty trap is to withdraw funds prior to death - tax free - rather than leaving it in super... so long as you know when you are going to die!

"A more sensible approach is for a person over 60 with superannuation benefits to provide an enduring power of attorney for a close friend or relative, so when their health deteriorates into the final phase of life a simple administrative procedure can be undertaken to withdraw the funds. Once the superannuant has drawn their final breath it is simply too late and the tax - \$16,500 per \$100,000 in super - must be paid by the estate to the government.

"A separate approach to this 'deathbed switch' is for the superannuant to withdraw tax-free lump sums of up to \$150,000 (\$450,000 over three years is the maximum allowed for this if under age 65) and to re-contribute it to a super fund.

← The newer system reverses the old "RBL" tax funnel and imposes harsh contribution cap penalties of up to 93% of the amount contributed to super.

Marinis says bring back the "old" RBL system which had less severe tax consequences and multiple strategy options to mitigate the tax sting. Unlike the new cap limit which has no ability to mitigate the penalties once you have breached the caps!

"This money would now be considered tax free and after death would be transferable to a non-dependant without incurring tax. Bear in mind, a non-dependant could be an adult child living separately.

"The Australian Tax Office has indicated that it does not view this 'Cash out and Re-contribute' strategy as a breach of the infamous Part IVA tax avoidance legislation, although as always, tread wearily.

"A person over 65 would need to still satisfy the government's work test in order to benefit from the same strategy, working at least 40 hours over a 30-day period.

"A Financial Adviser is the best placed professional to advise on how to structure your financial affairs to possibly avoid this unnecessary tax payment for your beneficiaries.

"At Marinis Financial Group, we have been recommending and implementing such Estate planning strategies for the benefit of our clients since this became possible, with the announcement of the Better Super regime in May 2006.

"Certainly, as this anomaly affects most people who are living outside a traditional Mum, Dad and two young kids family structure, it would be likely the new Federal Government would address this issue as the Labor party has highlighted many of the unintended inconsistencies in retirement legislation."

SA's Calendar of Events '08

At MFG we believe hard work is rewarded with good play! And there's plenty to get out to do in this stunning city of ours. In this section of Grow we have pulled together some of our team's favourite events, believing you, like us, might like to get out once in a while! You never know, maybe we'll see you there! Make sure you come up and say hello.

SA Tourism

www.southaustralia.com

SA Government

www.sa.gov.au

Arts SA

www.arts.sa.gov.au

Country Arts SA

www.countryarts.org.au

2008

February

22-16MAR

Adelaide Fringe

29-19MAR

Adelaide Bank Arts Festival

March

2-7

Writers Week

7-9

WOMADelaide

8-9

West Coast Country Music Festival

9

Crush - Adelaide Hills Wine Festival

10

SKYCITY Adelaide Cup

21-23

Coober Pedy Opal Festival

22

Adelaide's Biggest Easter Egg Hunt

22-24

Oakbank Easter Racing Carnival

25-30

Beach Volley Ball World Tour





April

- 5-6 Laura Folk Fair
- 5-6 International Rugby Sevens
- 5-13 Port Pirie State Masters Games
- 11-12 UCI BMX Supercross
- 11-13 Wooden & Classic Boats Regatta
- 18-20 2008 Australian BMX Championships
- 19-20 Pinnaroo Spudfest

May

- 2-4 Penola Coonawarra Arts
- 16-18 Commonwealth Bank Police Tattoo

June

- TBA Adelaide Cabaret Festival
- 7-9 Riverland Balloon Fiesta

July

- 6-10 World Youth Day 'Days in the Diocese'

September

- TBA Australian In-line Hockey Championships
- TBA Royal Adelaide Show

October

- 8-19 World Amateur Team Championships

November

- TBA Fleurieu Peninsula Biennale
- TBA Classic Adelaide
- 8 Credit Union Christmas Pageant

Every Sunday In Adelaide

- Sundays At The Festival Theatre
- East End Rundle Street Markets
- Adelaide Showground Farmers Market

Sexy Super?



(Yes, we are serious!)

Sexy Super? will be launched in early 2008 – but this is not a Federal Government initiative, rather Marinis Financial Group's first book on this complex subject.

A copy of Sexy Super?, recommended retail price of \$19.98, will be available free to all our clients and will be distributed shortly before the official launch.

"Sexy Super? is an attempt to fill the gap between newspaper articles, which by their nature are shallow, and financial services text books which are tedious, to say the least," says the Group's managing director Theo Marinis.

"I recognised that at last everybody wants to know about superannuation – it has become a BBQ stopper, a dinner party topic – but easy to read and understand information on the topic is simply not available," Theo said.

With his clients, and future clients in mind, Theo decided to write a book which covers:

- What is superannuation
- How do we grow it over the years
- How do we transition to retirement
(or have our financial cake and eat it too!)
- What have been the key milestones over the years
- What are self managed super funds
- What are investments
- How to prepare for retirement, and
- Where to go for more information

"I see this as the kind of book our clients will read and then pass on to a friend or family member who is considering talking to a financial adviser so that they, too, are up to speed with the topic," Theo said.

"From personal experience, I know there is nothing worse than dealing with experts who simply throw jargon at you to make themselves seem very important and wise. However, after reading 'Sexy Super?' anybody will be equipped to understand what their adviser is talking about – and put it into a framework of knowledge they have already built up over the years.

"The reader will also be well-equipped at the next BBQ or dinner party when the conversation turns to retirement savings... who would have thought back in the late 1980's that super would become sexy?"

'Sexy Super?' has been written in an easy-to-read format and uses a cartoon figure (which Theo denies was based on him to illustrate various points.) The book was prepared with the assistance of Aviva Australia and has also received compliance approval by Apogee Financial Planning Ltd, the Licensee which Marinis Financial Group is a member of.

"In 'Sexy Super?' we also use a number of case studies to highlight exactly how our clients have benefited from using our simple strategies," Theo said.

"The great thing about this has been that real people, using real scenarios, have been so pleased with the advice they were given they have been prepared to let us showcase them in the book (some have requested name changes, while others were happy to remain identifiable.) (And a big "Thank You" to those people, members of the Marinis Group Family, who have so willingly participated in this endeavor with us.)

If you would like a copy of Sexy Super? for a family member or friend, please feel free to contact Ivana at our office when you are next visiting us, or call on (08) 8130 5130.

For more information visit the Marinis Group website at www.marinisgroup.com.au

Ivana Samra

Meet Ivana Samra, once Marinis Financial Group's (MFG) Girl Friday, then also became Girl Tuesday and then was asked to add Girl Thursday... and is now proudly part of the 'family'.

That's what makes MFG so distinctly different. While the business is performance driven and committed to achieving the best results for the client, MFG has a great family approach to its dealings with team members and clients, with everyone happy to be a part of it.

"I've been with Theo since my days as Girl Friday... but bit by bit they needed me more. The business began to thrive and so I left my other part-time role and am now with MFG five days a week," Ivana said.

A mother of a son and two daughters, Ivana balances her work responsibilities around her family and home commitments. "I always take a little time off during school holidays – and of course as the business closes over the festive season which suits my family life just perfectly," she said.

As Practice Manager, Ivana's day commences early. She is responsible for all the logistical start up processes, even getting the kettle boiling. "I also find that if there is extra work to do I tend to 'sneak' back into the office out of hours," Ivana said

"I love my job. In particular, I love talking to all our clients. Often by the time they get to speak with a financial adviser I already feel I know them to a certain degree.



"Around 15 per cent of our clients, in line with the national average, are elderly people born in Europe. Many of them have little understanding of the complex superannuation or retirement laws we have in this country and they just want to be reassured.

"Every now and then I get the chance to use some of my childhood Italian with a client, which is great fun for me. Although I should say, I'm not as fluent with the language as I would like to be!"

Coming from an administrative background, Ivana honed her skills at the highest level working for a former Minister for Housing & Construction. "I had a great time working in the government as politics is a very fast and furious business for the support team," she said.

"However, once the children arrived my life's view changed and I wanted to be with my young family as much

as possible therefore I chose to find work in a different field altogether. I left the government and went to work for the Coles Myer Group of Companies on a part-time shift basis. This too was a learning curve as I had a lot of customer contact and you need to approach every situation differently."

"I find the most important thing is to listen to people and to understand their perspectives - whether they are government or retail related or within financial services."

MFG has continued to grow and with a staff of 11 people the dynamics of the business has changed considerably.

"Having been here since the start, it has been very exciting to have been a part of the growth of Marinis Financial Group," Ivana said. "While it has brought extra challenges for me it has also brought a lot of satisfaction because I see the great results we have been able to deliver to clients."

NOW SORTED!

We are delighted to introduce our new client service, Now Sorted!

Out of the blue, no warning, your family faces an unforeseen crisis. You are asked to produce numerous crucial documents at very short notice... can this be done?

Over time, we all create an estate. The longer we live, the more complex our estates usually become. Estates comprise many important documents as well as financial assets and liabilities. But good intentions aside, estate information and documents are usually 'scattered'.

With Now Sorted! we offer a process-driven system to organise all your essential information. You receive easy-to-read Personal Reports that summarise all your key estate

data. You receive a strong, safe, portable case to store and file these key estate documents. You will benefit from having the 'right information in the right place at the right time'. In this way, family members will have peace of mind.

Please email or phone us to receive the 'true story' booklet on Now Sorted! Should you like to explore further we would be pleased to chat to you. We'll explain how to save time and money preparing for 'the impossible'. Above all, peace of mind is the benefit our new service provides to you, your family and the next generation.

Phone (08) 8130 5130

www.marinigroup.com.au

Subscribe to Grow

We have been hard at work developing a newsletter that reflects the values of the company and our clients, imparting financial wisdom through clear, concise communication. The result is a newsletter designed to educate and stimulate. It is filled with relevant articles, information and news affecting us, you and your financial future.

The purpose of GROW is to keep you in touch with us and the important things we know about superannuation. As superannuation developments are continuous, GROW is fundamental in updating your knowledge and maintaining your edge in achieving the future you plan for.

Your education through GROW is free.

Surname

First Name

Postal Address

Email Address

Printed Version Yes No

Electronic Version Yes No

Send me to Marinis Financial Group,
67 Kensington Road, Norwood SA 5067

