Media Release No: 14 – 21st March 2008

Get Set for the End of Financial Year - NOW

Smart investors are getting set for the end of the financial year now rather than waiting for a last minute rush, says Adelaide-based financial strategist Theo Marinis.

“These are exciting times,” Theo said. ”Investors are dealing with the reality of capital losses for the first time in about five years. However, the news is not all bleak, particularly if there are some capital gains in your portfolio to offset at tax time”.

“Investors should be seeing their financial adviser and tax expert to discuss how best to take advantage of their personal situation. People need to remember that it is not only a case of which investment they choose to sell down, if that is their strategy, but it can also be which tranches of shares within the investment, or which units in a managed fund, they should sell as this can make a significant difference to the tax paid”.

“Also, if you have a self-managed super fund (SMSF), now might be the time to unload some of the underperforming shares you acquired along the way. You should also make sure your death and TPD life insurances are held within the SMSF as they are a tax deduction within this structure”.

“If you can afford it, now is a great time to be investing up to the $50,000 pa allowable in superannuation. The shares your fund may be buying could be around 20 per cent cheaper now than they were in November, so you will be getting great value for money. And if you are self employed there is a great 100% tax deduction (up to $50,000) available for super contributions”.

“Families with working members who earn less than $58,000 should also be considering if there is an opportunity to contribute up to $1,000 to the lower paid member’s super fund to take advantage of the federal government’s co-contributions. This is also a great way for grandparents to financially assist their grandchildren”.

“Those people who are planning to retire in the near future will be disappointed by the recent investment market correction. They should not be broken hearted however. They should discuss a transition to retirement approach with their adviser – and they may be surprised that they may even be advised to stop paying the principle off on their home loan in order to tax effectively super charge their superannuation, depending on their personal circumstances.

“The most important thing is to sit down with your adviser and plan how you can take advantage of the financial benefits available now – and my advice would be to get these plans turned into action before May as the new Federal Government may change the rules – and traditionally old rules are “grandfathered” (left the same) - for people who acted in good faith at the time.

Financial Strategies (SA) Pty Ltd trading as Marinis Financial Group ABN 54 083 005 930
Australian Financial Services Licence No: 326403

"Of course, by getting yourself 'set' by May, you may risk the government improving some conditions. However, given the economic cycle, it is difficult to see more generous improvements coming in the short-term."

-o0o-

For further information please contact:

Theo Marinis B.A., B.Ec., CPA., CFP®
Financial Strategist
Authorised Representative
T 08 8130 5130
F 08 8331 9161
M 0412 400 725
A 67 Kensington Road
NORWOOD SA 5067
E admin@marinisgroup.com.au
W marinisgroup.com.au

Disclaimer

The information in this article reflects Theo Marinis' understanding of existing legislation, proposed legislation, rulings etc as at the date of issue. While it is believed the information is accurate and reliable, this is not guaranteed in any way. The information is not, nor is it intended to be comprehensive or a substitute for professional advice on specific circumstances.

The information given in this article is of a general nature and has not taken into account the investment objectives, financial situation or particular needs of any particular person. Before making an investment decision on the basis of the advice above, a prospective investor needs to consider, with or without the assistance of a professional adviser whether the advice is appropriate in the light of their particular investment needs, objectives and financial circumstances.

Financial Strategies (SA) Pty Ltd trading as Marinis Financial Group ABN 54 083 005 930
Australian Financial Services Licence No: 326403