

Saving Through Super : An Overview

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Why Do We Save?

- Assets
- School Fees
- Holidays
- Retirement
- Financial Security

Long Term Wealth Creation
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Investment in Strong Assets

Tough run for retailers as consumers tighten belts

TERESA DOD
RETAIL

ROD Leno, founder of the Cue Clothing store, says retail conditions haven't been the same for a long time, with sales down and consumers reluctant to spend on clothes.

UNPRECEDENTED FALL Sales shock hits DJs profits

The retailer forecasts a 20 per cent drop in first-half earnings

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he said. "It looks like stores would mark down further."

However, his 225 Cue and V. Maine clothing stores have far more stock with like-for-like sales down for the year ending in June.

"We are doing better than most manufacturers in Australia as to produce closer to season and I am happy," he said.

His clothing

Business confidence slumps to zero

ANALYSTS July 13, 2011



GLOOMY PROGNOSIS

Retailers in despair over sales



Retailers rocked as debt crisis spreads

RICHARD GLUYAS

NOT SO FESTIVE
S&P/ASX200

Trading over the past 10 days

Index

4790

July 2.4 per cent yesterday,

down 14.4 per cent for the year

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THE nation's shoppers have firmly closed their wallets amid fears of a full-blown debt contagion in Europe while retail

Retailers hit as shoppers fail to cash in on sales

By Ben Butler and Chris Zappone

The national retail industry is



Dollar blamed for retail nosedive

Guru of cool at the helm for fireworks

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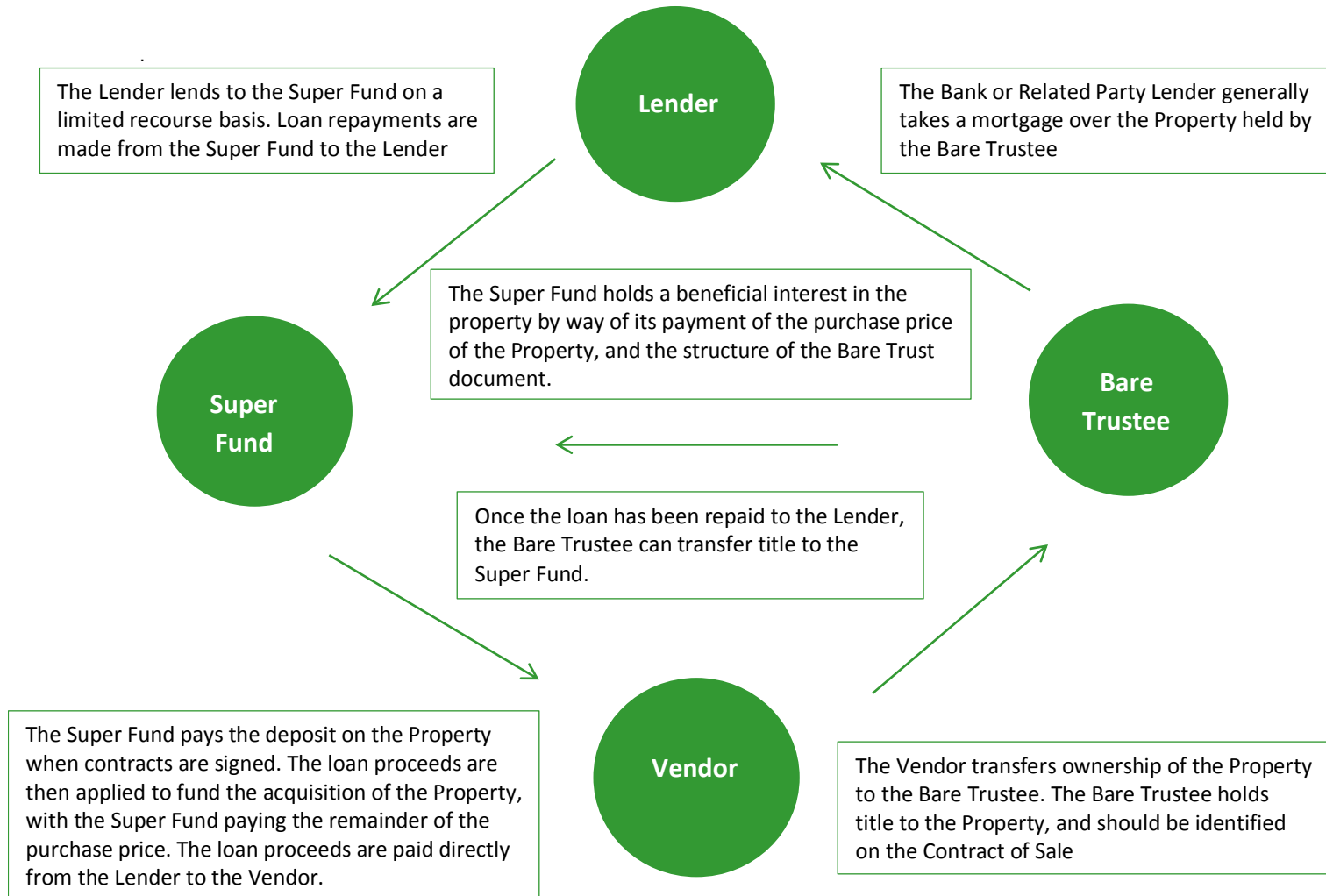
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Why Super ?

- Tax concessions on contributions
- Tax concessions on investment earnings



COST COMPARISON - SUPER V. NON-SUPER INVESTMENTS

Assumptions

Amount Invested	\$ 1,000,000
Investment Yield	5.0%
Marginal Tax Rate	38.5%
% of Assets Paid as Pension	6.5%
Age	60

NO SUPER

HALF IN SUPER

ALL IN SUPER

PRE-RETIREMENT

Super Fund Investment Income	\$0	\$25,000	\$50,000
Less Tax	\$0	\$3,750	\$7,500
Net Fund Investment Income	\$0	\$21,250	\$42,500

Other Investment Income	\$50,000	\$25,000	\$0
Less Tax	\$19,250	\$9,625	\$0
Net Investment Income	\$30,750	\$15,375	\$0

Total Tax	\$19,250	\$13,375	\$7,500
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POST-RETIREMENT

Super Fund Investment Income	\$0	\$25,000	\$50,000
Less Tax	\$0	\$0	\$0
Net Fund Investment Income	\$0	\$25,000	\$50,000

Pension Income	\$0	\$32,500	\$65,000
Investment Income	\$50,000	\$25,000	\$0
Less Tax	\$19,250	\$9,625	\$0
Net Investment Income	\$30,750	\$22,875	\$65,000

Total Tax	\$19,250	\$9,625	\$0
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<u>COST COMPARISON - WHETHER TO CONTRIBUTE TO SUPERANNUATION</u>		
	Concessional	Non-Concessional
Assumptions		
Amount for Contribution	\$25,000	\$150,000
Marginal Tax Rate - Personal	38.5%	38.5%
Personal Contribution		
Contribution	\$25,000	\$150,000
Deduction Claimable	\$25,000	\$0
Tax Benefit	\$9,625	\$0
Contributions Tax @ 15%	\$3,750	\$0
Immediate Tax Benefit	\$5,875	\$0
Company Contribution		
Contribution	\$25,000	
Deduction Claimable	\$25,000	
Tax Benefit	\$7,500	
Contributions Tax @ 15%	\$3,750	
Immediate Tax Benefit	\$3,750	

Benefits of Saving Inside Super:

- Tax deductible contributions
- Low tax rates on contributions
- Low tax rates on earnings
- More flexible investing
- Tax free pensions
- Option of self – managed super
- Protection from creditors
- Protect you against yourself!

When is Self-Managed Superannuation Feasible?

\$200,000 in super

or

Aggressive super savings plan with
maximum contributions each year

or

Have a specific asset purchase strategy