Sapphire Financial Services Pty Ltd

Prepare for Life

Winter 2025

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TURBOCHARGE your super BEFORE 30 JUNE

More than half of us set a new financial goal at the beginning of 2025, according to ASIC's Moneysmart website. While most financial goals include saving money and paying down debts, the months leading up to 30 June provide an opportunity to review your super balance to lookat ways to boost your retirement savings.

What you need to consider first

If you have more than one super account, consolidating them to one account may be an option for you. Consolidating your super could save you from paying multiple fees, however, if you have insurance insider super, you may be at risk of losing it, so contact us before you make any changes.[i]

How to boost your retirement savings

Making additional contributions on top of the super guarantee paid by your employer could make a big difference to your retirement balance thanks to the magic of compounding interest.

There are a few ways to boost your super before 30 June:

Concessional contributions (before tax) These contributions can be made from either your pre-tax salary via a salary-sacrifice arrangement through your employer or using after-tax money and depositing funds directly into your super account.

Apart from the increase to your super balance, you may pay less tax (depending on your current marginal rate).[ii]

Check to see what your current year to date contributions are so any additional contributions you may make don't exceed the concessional (before-tax) contributions cap, which is $30,000 from 1 July 2024.[iii]

If you exceed the concessional contributions cap (before tax) of $30,000 per annum, any additional contributions made are taxed at your marginal tax rate less a 15 per cent tax offset to account for the contributions tax already paid by your super fund.

Non-concessional contributions (after tax) This type of contribution is also known as a personal contribution. It is important not to exceed the cap on contributions, which is set at $120,000 from 1 July 2024.[iv]

But this cap can be significantly increased for those who are eligible and with a lump sum to invest. Using a "bring-forward arrangement", you can make contributions up to two or three times the annual cap amount in the first year of the bring-forward period. Any amount of the cap that is unused can be added to the remaining one or two years. Eligibility depends on your age, the amount of your total super balance and other factors.

Carry forward (catch-up) concessional contributions
If you've had a break from work or haven't reached the maximum contributions cap for the past five years, this type of super contribution could help boost your balance – especially if you've received a lump sum of money like a work bonus.

These contributions are unused concessional contributions from the previous five financial years and only available to those whose super accounts are less than $500,000.

There are strict rules around this type of contribution, and they are complex so it's important to get advice before making a catch-up contribution.

Downsizer contributions If you are over 55 years, have owned your home for 10 years and are looking to sell, you may be able to make a non-concessional super contribution of as much as $300,000 per person - $600,000 if you are a couple. You must make the contribution to your super within 90 days of receiving the proceeds of the sale of your home.

Spouse contributions There are two ways you can make spouse super contributions, you could:

- split contributions you have already made to your own super, by rolling them over to your spouse's super – known as a contributions-splitting super benefit, or
- contribute directly to your spouse's super, treated as their non-concessional contribution, which may entitle you to a tax offset of $540 per year if they earn less than $40,000 per annum

Again, there are a few restrictions and eligibility requirements for this type of contribution.

Get in touch for more information about your options and for help with a super strategy that could help you achieve a rewarding retirement.

i https://www.ato.gov.au/individuals-and-families/super-for-individuals-and-families/super/growing-and-keeping-track-of-your-super/keeping-track-of-your-super/transferring-or-consolidating-your-super

ii https://www.ato.gov.au/individuals-and-families/super-for-individuals-and-families/super/growing-and-keeping-track-of-your-super/how-to-save-more-in-your-super/salary-sacrificing-super

iii https://www.ato.gov.au/individuals-and-families/super-for-individuals-and-families/super/growing-and-keeping-track-of-your-super/caps-limits-and-tax-on-super-contributions/concessional-contributions-cap

iv https://www.ato.gov.au/individuals-and-families/super-for-individuals-and-families/super/growing-and-keeping-track-of-your-super/caps-limits-and-tax-on-super-contributions/non-concessional-contributions-cap

SCAMS: knowledge is protection

Scammers operate in an ever-evolving space and the scams of today are far more sophisticated than they have ever been, targeting even the most financially literate individuals.

In addition to the financial impact from a scam, it can affect your mental health as well as damage your reputation, so understanding how scammers operate is the best way protect yourself from falling victim.

A growing trend

The statistics provide a sobering reminder that no one is immune – no matter how experienced or cautious they may be – it can happen at the click of a button.

According to the Australian Competition and Consumer Commission's (ACCC) Scamwatch, Australians lost an alarming $3.18 billion to scams last year.

The average individual loss from scams is significant, with individual losses rising by more than 50 per cent last year, to an average of almost $20,000. This is due, in part, to scammers using new technology to lure and deceive victims and it underscores the serious financial toll scams can take.

Some of the most common scams include:

- **Investment scams:** Investment scams continue to be a major issue, with losses reaching around $1.2 billion in 2024. These scams often involve fraudulent online trading platforms or fake cryptocurrency schemes, designed to lure investors with promises of high returns and minimal risk.
- **Impersonation scams:** Fraudsters are increasingly using sophisticated tactics to impersonate trusted organisations, such as government bodies, banks, and financial advisers.

In 2024, impersonation scams accounted for $700 million in losses, with scammers using fake emails, phone calls, and even text messages to trick victims into revealing sensitive personal information or parting with funds.

- **Romance and relationship scams:** These scams often involve scammers establishing a personal relationship with victims before manipulating them into sending money. In 2024, these types of scams led to losses of $250 million, highlighting the emotional and financial damage they can cause.

While these figures are shocking, they also reflect the changing nature of scams. Scammers are no longer relying on clumsy, obvious frauds. Instead, they are using highly professional methods, often tailored to the specific interests, financial knowledge, and behaviours of their targets.

Why everyone is vulnerable

As scammers become more creative, even the most experienced and financially literate individuals are at risk. There are several reasons why this is the case.

Sophistication: Scammers now use advanced technology and psychological manipulation to trick their victims. They impersonate respected brands and financial institutions, and they can craft highly convincing emails, websites, and phone calls that look indistinguishable from legitimate communications.

Cryptocurrency and new technologies: The rise of digital currencies and decentralised finance (DeFi) platforms has created new opportunities for scammers to exploit. These markets are largely unregulated, making them more vulnerable to exploitation by criminals.

Deepfakes: Scammers are increasingly using deepfake technology to make their fraudulent schemes more convincing and harder to detect. By creating hyper-realistic videos or audio recordings, they can impersonate trusted individuals, such as company executives, colleagues, or even loved ones, to manipulate victims to respond to requests for urgent assistance or money. This manipulation of digital media makes it much more difficult for victims to distinguish between what's real and what's fabricated.

Protecting yourself

Despite the growing sophistication of scammers, there are steps you can take to protect yourself. It's crucial to stay alert and use a combination of scepticism, knowledge, and due diligence.

Be cautious when receiving unsolicited offers or requests, whether by phone, email, or social media. If you weren't expecting to hear from a company or individual, don't rush to react. Don't click on links. Take a step back and verify the legitimacy of the contact by using an email or contact number that you locate online. Always verify account details this way before transferring any money.

Scammers are constantly evolving their tactics, so it's crucial to stay informed. Regularly educate yourself on the latest scam trends and familiarize yourself with common warning signs. Agencies like Scamwatch provide ongoing updates and resources for identifying and reporting scams.

The evolving nature of financial scams means that it's not enough to simply be cautious; you need to stay proactive. If you're unsure whether an opportunity is a scam or simply want a second opinion on a financial matter, we're here to help.

Source for all scam statistics in this article: https://www.scamwatch.gov.au/research-and-resources/scam-statistics

Finding life balance: 4 pillars to your wellbeing

We're all trying to live our best lives, right? Sometimes, we get stuck in one area – whether it's spending all your spare time hitting the gym or counting every calorie to lose weight. We know the secret to true wellbeing is balance – but what does that actually mean?

That's where the four 'sets' come into play: *mindset, healthset, heartset,* and *soulset*. These can be considered the four pillars to happiness, and you need a little bit of each to really find your balance.

Mindset: The Brain Food

Let's kick things off with the *mindset*. Your mindset is like the software of your body – it drives how you think, act, and react. It is about personal growth, learning, and shifting your outlook to one that empowers you.

If you want to strengthen your mindset, here's the deal: keep it active! This could mean reading something that challenges your thoughts or while you are out walking, listen to some empowering podcasts or TED talks. Trust me, you'll come out the other end of your day a little wiser and a lot more motivated.

Healthset: Your Body's Happy Place

Now let's focus on *healthset* – your physical wellbeing.

Healthset is all about moving your body and making sure it feels good. You don't have to train for a marathon (unless that's your thing, and in that case – go for it!). Just get up, move around, and stretch! Brisk walks, a little yoga, or even dancing like no one's watching can do wonders. Plus, don't forget the basic stuff: eat nutritious food, stay hydrated, and get plenty of sleep. Because let's face it, a lack of sleep can affect your overall wellbeing.

Heartset: Feed Your Emotions

Heartset means taking care of your emotional wellbeing. It's about understanding your feelings, processing them, and making sure your emotional cup is full.

If you want to boost your heartset, a good starting point can be to practice gratitude. Write down the things you're thankful for – even if the starting point is enjoying your "morning coffee".

Heartset isn't just about feeling good; it's about being able to process your feelings in a healthy way. Giving yourself some space in your day-to-day life and permission to 'feel' rather than bottle things up can be challenging, but small steps will add up. So, when life gets messy (as it does sometimes), you'll be ready to handle it with grace.

As well as checking in with yourself, heartset is about connecting with others, so actively nurture those relationships with those you care about and those who care about you.

Soulset: Finding Your Inner Peace

Finally, we have *soulset*. This is the deepest and most personal of the four sets. Soulset means connecting with your 'purpose' and finding 'meaning in life'.

Creating a connection with your soul is less about doing and more about being. Soulset is the place where you find that "aha!" moment when everything aligns, and you just feel... at peace. Make space for those moments. Meditate, do yoga, or take a walk in the park or by the water if that's your 'happy place'. Connect with what feels deeply right for you. Reflect on what gives you purpose – and what makes you feel like you're really living.

Creating your own routine

The popular book 'The 5am Club' by Robin Sharma, introduces the idea that tending to these four parts of yourself first thing in the morning will set you up for a balanced and empowering day – however you don't have to join the 5am club to get the benefits of balance.

Creating your own routine is simple: pick one or two habits for each set (they can even overlap - going for a walk in nature can tick a few boxes if you do it right!) and start incorporating them into your daily life. Don't overcomplicate it – just focus on being consistent, and remember, progress is the goal, not perfection.

Take the time to check in with yourself from time to time to see if one of your four pillars is languishing and put a little effort into strengthening that pillar to get the balance back.

When you focus on your *mindset, healthset, heartset*, and *soulset*, you're growing a strong, healthy foundation for happiness.

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