

Prepare for Life

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Your future just got a *super boost* – are you ready?

With the new financial year comes a fresh wave of superannuation changes that could make a real difference to your retirement savings.

Let's unpack what's changing – and how to make the most of it.

The SG rate hits 12%

One obvious lift to retirement incomes is the increase in the Super Guarantee (SG) rate from 11.5 per cent to 12 per cent. That means more going into your super account.

Your employer must now pay 12 per cent of your ordinary time earnings into your chosen super account. So, it's a good idea to check your first payslips for the new financial year to make sure the changed rate is applied.

If you have a salary sacrifice arrangement, note that the SG calculation applies to your total salary, as if the arrangement was not in place.

For a quick update on what the change will look like for your super balance, check the MoneySmart [calculator](#).



More for retirement phase

Beyond your regular contributions, the amount of super that can be transferred into the retirement phase – known as the general transfer balance cap (TBC) – has increased from \$1.9 million to \$2 million from 1 July 2025.ⁱ

If you exceed the cap, you'll need to transfer the excess back to your accumulation account or withdraw it as a lump sum – plus, you may pay tax on the earnings.

If you've already started a retirement income stream, you'll have a personal TBC – your own individual limit, which may be less than the general TBC. Your personal cap is based on the general cap at that time you started, adjusted for how much you've used and any indexation you're entitled to.ⁱⁱ

For example, if you started a pension with \$2 million on 1 July 2025, you've used your entire cap. The cap doesn't limit the amount you can hold in super. If you have more than the cap available, the remainder can be left in your super fund's accumulation account.

You can check your cap in ATO online services, which records all the debits and credits that make up your balance.

Special rules apply for defined benefit income streams.

More qualify for after-tax contributions

The change in the general TBC to \$2 million may also allow you to increase non-concessional (after-tax) contributions using the bring-forward rule. While the \$120,000 annual limit on non-concessional contributions hasn't changed, eligibility for using the bring-forward rule now applies to those with a total superannuation balance below \$1,880,000. A non-concessional contribution of up to \$120,000 may be made by those with a total superannuation balance of between \$1,880,000 and \$2,000,000.

The rule allows you to bring forward the equivalent of one or two years of your annual non-concessional contributions cap (\$120,000), allowing you to make contributions two or three times more than the annual cap.

No change to contribution caps

While more investors may now be eligible to access the bring-forward rule, the caps on both concessional (before tax) and non-concessional contributions haven't changed.

The tax paid on contributions depends on whether you're paying from before-tax or after-tax incomes, you exceed the contribution caps, or you're a high income earner.ⁱⁱⁱ

The concessional contributions cap is \$30,000 and if you have unused cap amounts from previous years, you may be able to carry them forward to increase your contribution in later years. You can make up to \$120,000 in non-concessional contributions each financial year and you may be eligible for the bring-forward rule allowing up to \$360,000 in one contribution.

Not sure how the rules affect you? Talk to us today about how to stay ahead and make the most of your retirement savings plan.

Awaiting the new \$3m tax

The proposed new tax on earnings above \$3 million in super accounts, known as the Division 296 tax, lapsed when the May 2025 Federal Election was called. Nonetheless, it is expected to be reintroduced at some point.

The new tax doubles the tax rate from 15 per cent to 30 per cent for earnings on balances that exceed \$3 million.

An earnings loss in a financial year, can be carried forward to reduce the tax liability in future years.

ⁱ <https://www.ato.gov.au/tax-rates-and-codes/key-superannuation-rates-and-thresholds/transfer-balance-cap>

ⁱⁱ <https://www.ato.gov.au/individuals-and-families/super-for-individuals-and-families/super/withdrawing-and-using-your-super/retirement-withdrawal-lump-sum-or-income-stream/calculating-your-personal-transfer-balance-cap>

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/understanding-concessional-and-non-concessional-contributions>

Legacy or liability? Planning a smooth wealth transfer

Australians inherited an estimated \$150 billion in 2024, an increase of more than 70 per cent in a decade, according to a JBWere report.ⁱ

It's a number that's predicted to grow more rapidly over the coming 20 years to \$5.4 trillion, the report finds.

Managing this flow of wealth to family groups, often complicated by divorce and remarriage as well as children from previous marriages, can lead to disputes and legal challenges if not carefully handled.

Legal firms agree that the number of challenges to wills has been increasing each year with adult children most likely to take action. One firm estimates more than 60 per cent of claims are brought by adult children and around 20 per cent by partners or ex-partners.ⁱⁱ

Yet, many still do not have wills.

In the latest research available, the Australian Law Reform Commission found that almost 40 per cent of adult Australians did not have a will although, this figure declined to 7 per cent for those older over 70.ⁱⁱⁱ

If you die intestate in Australia, your estate is distributed according to state and territory laws, and the laws vary slightly between each state and territory. Generally, the estate goes to the next of kin starting with the surviving spouse or partner



followed by children, parents, siblings and then other relatives. If no relatives can be found, the estate may go to the government.

So, if it is important to you to have a say in how your assets will be distributed, a will is a must.

Meanwhile, for those in a new partnership but have children from a previous marriage, a binding financial agreement can be a useful way of protecting your partner's interests if something happens to you.

It's a legally enforceable contract that details how assets, liabilities and responsibilities will be divided if you separate, divorce or one partner dies.

Designing your transfer of wealth

Distributing your wealth now or later can depend on the family dynamics, any businesses you may own and whether you have a passion for creating a legacy – donating to a charity, for example. Alternatively, you may prefer to spend it on yourself and your partner to enjoy your later years.

The housing crisis and the emergence of the 'bank of mum and dad' has increasingly seen wealth transfer happening while the benefactor is still alive. You may wish to help your children or grandchildren to get a foot onto the property ladder, contribute to their superannuation, or pay their school fees or student loans. But it's crucial to obtain professional advice to understand any consequences of giving lump sums, particularly those receiving government entitlements, as they could potentially be impacted.

Another alternative is testamentary trust. This is commonly used to provide financial security for beneficiaries, such as family members or loved ones. It is used to manage and distribute assets according to specific instructions laid out in the will.

It can be specifically written and incorporated in your will and takes effect when you pass away.

It is administered by a trustee, who you would also name in your will. The trustee would take legal control over the trust assets and is responsible for the management and distribution of the assets to the beneficiaries, based on the instructions in the trust.

This strategy could also potentially minimise any tax liabilities. However, there are a lot of things you need to consider when deciding whether or not a testamentary trust is right for you.

Some might prefer to establish or contribute to a charitable foundation as a way of building a family legacy. It's a move that allows you to have some say over how your hard-earned wealth is distributed and could involve family members to allow them to build knowledge and experience in philanthropy.

Most importantly, creating a family legacy relies primarily on the strength of family relationships. Any disputes will more than likely be magnified after a death and some relationships may be strained, so it may be helpful to discuss your intentions with family members and any other beneficiaries. Be clear about your plans and don't ignore negative reactions.

Getting your affairs in order

After all, wealth transfer isn't just about finances – it's about securing family harmony and ensuring your legacy is preserved according to your wishes. Taking the time to plan, communicate openly with loved ones, and seek professional guidance can make all the difference.

i <https://www.jbwere.com.au/campaigns/bequest-report>

ii <https://solomonhollettlawyers.com.au/news/the-rise-and-rise-of-inheritance-claims/>

iii <https://www.alrc.gov.au/publication/elder-abuse-a-national-legal-response-alrc-report-131/8-wills/>

Time to clear out your digital cobwebs



Spring cleaning isn't just for closets.

We're used to tackling physical mess. We clear out closets, sort through garages, and sometimes even face that overflowing junk drawer in the kitchen. But there's another kind of clutter we often ignore - the kind that lives on our devices, in our inboxes, and across the dozens of apps and platforms we use every day.

Our digital lives can become chaotic without us even realising it. Old files pile up, passwords go unchanged, unused apps stake up digital space, and outdated accounts hang around long after we've forgotten them.

Cleaning up your digital life isn't just about tidiness. It's about taking back control, reducing stress, and protecting your personal information. A little effort can help you make the most of the technology you rely on every day.

Start with the inbox

Email is one of the easiest places for clutter to grow unnoticed. Between unread messages, endless subscriptions, and decades of digital dust, many of us feel buried in content before we even open our inbox.

Start by archiving or deleting messages you no longer need. Use the search function to batch-delete emails from certain senders, especially those you no longer want to hear from. Unsubscribe from newsletters or promotional emails you tend to ignore and consider setting up filters to automatically sort messages into folders moving forward.

Even if you only clean up a few hundred emails, you'll immediately feel a sense of relief. A tidier inbox helps you spot what's actually important and reduces the mental load of "dealing with it later".

Declutter your devices

Next, look at your phone and computer. These devices often become digital dumping grounds. Photos, documents, apps, and downloads accumulate over time and can start to feel overwhelming.

Begin by deleting apps you haven't used in the last three to six months. If you're not sure about something, check when it was last opened. Move photos and videos to cloud storage or an external drive to free up space. Organise documents into clearly labelled folders and delete duplicates or outdated versions.

Some parts of digital clutter are less visible but still worth clearing. Take a moment to empty your downloads folder, clear your browser cache, and remove temporary files. These forgotten corners of your devices can quietly slow things down and make everything feel more chaotic.

Audit old accounts

Over the years, you've probably signed up for countless shopping websites and other services, many of which you've long forgotten. These inactive accounts can pose security risks, especially if they're linked to old or weak passwords.

Use a password manager to help identify and organise your accounts. Close the ones you no longer use and update the

passwords for those you still need. Closing unused accounts limits the number of places your data is stored, which reduces your exposure in the event of a data breach.

This step may take a little time, but it's one of the most powerful ways to protect your digital footprint.

Check your digital security

While you're auditing, take time to strengthen your online security. Start with your most important accounts - like email, banking, and cloud storage - and make sure each one uses a strong, unique password.

Enable two-factor authentication where possible. This extra layer of protection only takes a few minutes to set up and can make a big difference in keeping your accounts secure.

Finally, don't forget to check for software updates on all your devices. These often include important security patches, so keeping your system up to date is one of the easiest ways to stay protected.

Refresh your social media

Social media can be a powerful tool, but only if it reflects who you are now. If your feed feels stale or overwhelming, take a few minutes to clean it up.

Unfollow or mute accounts that no longer resonate with you. Curate your feed so that it reflects your current interests, values, and goals. This simple step can turn mindless scrolling, or doomscrolling, into a more positive, inspiring experience.

Digital spring cleaning is not about perfection. It's about creating a digital environment that supports how you live and work right now. If this all sounds a little intimidating just take it one step at a time. Wherever you begin, the most important thing is to begin.

Your finances are in good hands when you choose Sapphire Financial Services. Our team has more than 30 years of industry experience, and are truly passionate about helping you with your financial planning needs.

We specialise in helping clients get the most from their finances. From wealth creation, management and accumulation, to retirement funds, superannuation's and estate planning, our advisor has the knowledge and expertise to point you in the right direction.

With clients at the epicentre of our business's philosophy, we are proud to take a holistic approach to financial planning. Instead of providing generic, off-the-shelf financial services, our planner takes the time to understand every aspect of your life, before recommending the relevant opportunities for you.

Take comfort in knowing Sapphire Financial Services is with you every step of the way through your financial journey. As well as providing short-term advice for urgent matters, our team offers ongoing support to ensure you always feel supported when it comes to your assets.



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