

Strategy advice: Midwinter's *Contribution Optimiser* module

What is *Contribution Optimiser*?

Contribution Optimiser is a superannuation contribution optimiser that enables financial advisers to determine the best mix of concessional and non-concessional contributions that will provide the highest possible net contribution to super.

Contribution Optimiser determines whether a concessional contribution (pre-income tax) or non-concessional contribution (post income tax) will provide the greatest net contribution at a given assessable income level.

Contribution Optimiser also exploits the inverse relationship that exists between concessional contribution and the Government Co-Contribution and the Low Income Tax Offset (LITO) pre 1 July 2009, and the inverse relationship that will continue to exist between concessional contributions and LITO post 30 June 2009. This inverse relationship exists because pre 1 July 2009, the maximum level of Government Co-contribution is based on an employee's total assessable income plus reportable fringe benefits. Concessional salary sacrifice contributions reduce total assessable income. This means, the greater the salary sacrifice the lower your total assessable income and the greater your maximum Co-contribution payment or LITO will be.

What are the benefits of using *Contribution Optimiser*?

Contribution Optimiser allows advisers to take full advantage of the available tax concessions and incentives available for low to middle income earning clients, especially self-employed clients, who tend to declare a lower level of assessable income because of available business deductions.

It enables financial advisers to determine the best mix of concessional and non-concessional contributions that will provide the highest possible net contribution to super.

Other features of *Contribution Optimiser* are that it:

- Has the ability to optimise by either matching current net income level or by setting a desired net income level,
- Indicates comparative tax and cash flow analysis of the existing and optimal position over the term to retirement,
- Produces first year results and also projects the impact of the strategy to retirement,
- Automatically generates an implementation guide for financial advisers - including schedule of required concessional and non-concessional contributions - in order to ensure that administrative requirements are met,
- Highlights the impact of optimising net contributions to super as the marginal increase in retirement benefits for each dollar contributed.

Contact Details

Midwinter Financial Services Pty Ltd
Level 11, 99 Elizabeth St
Sydney NSW 2000
www.midwinter.com.au
info@midwinter.com.au
Tollfree 1300 882 938
ACN 121 020 620

To access your free trial of Midwinter's *Reasonable Basis* please click on this link – [Reasonable Basis Free Trial](#) - and call 1300 882 938 for your access code.

This is intended as general advice only and does not have regard to an investor's objectives, financial situation or needs. Before acting, investors should consider the advice in light of their own circumstances. Midwinter Financial Services (Midwinter)

ABN 94 610 697 565, AFSL No. 300688 has endeavoured to ensure that the information contained in this communication is accurate, but to the maximum extent permitted by the Law, disclaims all liability for errors or omissions.

All superannuation and taxation information is based on our understanding, and the continuation, of current taxation and superannuation legislation. The case studies included have been created to illustrate a specific concept only.

Justifying
your advice just
got a whole lot
easier with...

 *reasonable basis*