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Here are six ways to boost your superannuation savings

Finding some new ways to put a bit more into super will pay off. *Photo: Getty*

Larissa Ham

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Unless you're getting towards the pointy end of your working life, it's unlikely you spend much time thinking about superannuation.

After all, your employer is faithfully putting 9.5 per cent of your salary into super, so what's the worry?

"It's not enough," says Dianne Charman, certified financial planner at AMP. And she warns that's particularly the case if you're planning to take time out to have kids.

So how can you ensure you're set for a comfortable retirement? Here are some simple tactics to begin boosting your super right now.

1. Do some calculations (and read your super statement)

So how much will you need? "First and foremost you need to understand what sort of lifestyle you'd like to have in retirement and then put a price on that," says Ms Charman.

2. Salary sacrifice into your super

If you work for a big company, email your human resources department and ask to salary sacrifice whatever you can afford into super, says Drew Meredith, director and adviser at Wattle Partners Private Wealth Managers.

The higher your income, the more you're likely to save on tax.

If your marginal tax rate is 32 per cent, for instance, you'll pay a maximum of only 15 per cent tax on what is directed to super.

3. Use your pay rise

When it comes to making extra super contributions, the toughest thing is getting started, says Michael Miller, certified financial planner and owner of MLC Advice Canberra.

"A great way to take some of the pain out of it is to put away money you're not used to receiving," he says.

"Next time your pay increases, just elect to direct half the increase to your super. If you keep repeating this step you'll eventually be hitting the contribution caps without ever feeling like you're missing out on income."

4. Add to your spouse's super account

"On July 1 there was a tremendous change for couples where one person has no or low earnings, perhaps because they are on a career "break" to raise children," says Nicole Pedersen-McKinnon, a financial literacy expert.

There is now a far higher income threshold for the spouse contribution offset, which had been sitting at a "ridiculous" $13,800 for years, she says.

Now, if your spouse earns under $37,000 and you contribute to their super, you can claim a tax offset equal to 18 per cent of the contributions (up to $540). If your spouse earns up to $40,000 you could still be entitled to a partial super tax offset.

5. Get $500 for nothing

If you earn below **$51,813** from your job and make a $1000 personal contribution this year, then the government will kick in an up to extra $500, says Pedersen-McKinnon.

"That's still the winning super strategy, at an effective 50 per cent return. Note you can't also claim a deduction for the contribution."

6. And if you're self-employed ...

safe (and of course, lower your tax rate).

Since July 1 even partly self-employed people can now make deductible contributions of up to $25,000 a year.

“Super is a business owner’s best plan … even if the business went bust you’re protected,” says Ms Charman.

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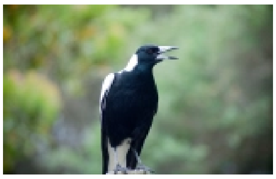

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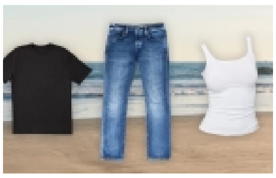

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