

YOUR EOFY FINANCIAL CHECK-IN

With 30 June approaching, now is the time to get your financial affairs in order. We've compiled a list of priority items to focus on.

This time of year is critical to maximise superannuation contributions. Depending on eligibility, members may be able to contribute over \$500,000 – and potentially up to \$1 million in the coming months with the right planning and opportunity. As highlighted by the recent Federal Budget, superannuation remains a highly effective investment structure for most Australians, despite recent changes.

It is important to plan ahead to ensure any pre-30 June transactions are completed well in advance. Timing is everything!

Concessional contributions

The current annual concessional cap is \$30,000. Concessional contributions include employer contributions, salary sacrificed amounts, and personal contributions claimed as a tax deduction. These contributions are taxed at 15%, with some age restrictions outlined later in this document.

For high-income earners (those earning \$250,000 or more), an additional 15% tax applies, bringing the total tax on these contributions to 30%.

A review of concessional contributions and taxable income is worthwhile at this time of year to assess if making additional contributions is beneficial. For

example, someone who receives \$220,000 in dividends (taxed at 45% plus a 2% Medicare levy) could achieve a tax saving of \$6,400 on a \$20,000 concessional contribution, after allowing for the 15% contributions tax.

The superannuation guarantee is now 12%, and from 1 July 2026, the concessional cap will increase to \$32,500.

Carry-forward concessional contributions

Any unused amounts in an individual's concessional contributions cap can be carried forward for up to five years, provided their total superannuation balance is under \$500,000 at the end of the previous 30 June.

For example, if David made concessional contributions of \$10,000 in each of the past five financial years, and his total superannuation balance as at 30 June 2025 was \$200,000, he would be eligible to make a concessional contribution of \$117,500 in the 2025-2026 financial year. This amount includes his unused concessional caps from the previous five years, plus the standard cap for 2025-2026. MyGov can be used to confirm available amounts and eligibility.

This strategy is most effective in years when taxable income is higher than usual, such as after the sale of an asset. For SMSF members, the benefit can be extended through a contribution

reserving strategy, where a contribution made in June is allocated by the fund within 28 days, potentially falling into the next financial year. When combined with carry-forward contributions, this can allow up to seven years of concessional contributions to be brought forward, potentially up to \$200,000 before 30 June 26.

Unused carry-forward amounts from the 2020-21 financial year will expire on 30 June 2026. If eligible, any remaining amounts must be used before this date, or they will be lost.

Non-concessional contributions

The annual limit for non-concessional contributions is \$120,000, provided an individual's total superannuation balance is below \$2 million as at 30 June 2025.

The bring-forward rule allows eligible members to contribute up to three years' of non-concessional contributions (\$360,000) in one year. To qualify, members must not have triggered the bring-forward rule in the past two financial years and must have a total superannuation balance below \$1.76 million as at 30 June 2025. Individuals with a member balance between \$1.76 million and \$1.88 million can utilise part of the bring-forward rule.

For example, James, aged 58, is starting to plan for retirement. He has \$500,000 in cash and a total superannuation balance of \$800,000. James uses the bring-forward rule to contribute \$360,000 to superannuation as a non-concessional contribution in the 2025-26 financial year, with the aim of investing in the share market. After this, he cannot make further non-concessional contributions for the next two financial years.

From 1 July 2026, the non-concessional contributions cap will be indexed to \$130,000. The general transfer balance cap will increase from \$2 million to \$2.1 million. This change means individuals with a total superannuation balance of up to \$2.1 million may still be eligible to make non-concessional contributions. The bring-forward thresholds will also increase accordingly, as shown in the table below.

TSB on 30 June 2025 applicable in 2025-26	Available NCC cap in the first year	TSB on 30 June 2026 applicable in 2026-27	Available NCC Cap in the first year
Less than \$1.76 million	\$360,000	Less than \$1.84 million	\$390,000
\$1.76 million to less than \$1.88 million	\$240,000	\$1.84 million to less than \$1.97 million	\$260,000
\$1.88 million to less than \$2 million	\$120,000	\$1.97 million to less than \$2.1 million	\$130,000
\$2 million or more	Nil	\$2.1 million or more	Nil

As always, it's important to seek professional financial advice and review MyGov for eligibility before making any contributions.

Division 296 – additional tax on large and very large super balances

Now that Division 296 has been legislated, the focus shifts from understanding the rules to actively managing their impact. A transitional period applies through to 30 June 2027, providing time to review existing arrangements and take proactive steps before the new rules fully take effect.

In the lead-up to 30 June 2026, the focus should be on planning rather than immediate action.

This involves identifying potential exposure, confirming the valuation of relevant assets, and, for SMSF trustees, carefully assessing the merits of a CGT cost base reset. As this is an all-or-nothing decision, funds with significant unrealised losses may ultimately decide not to proceed. It is also an appropriate time to review estate planning arrangements to ensure they remain fit for purpose, considering the introduction of Division 296.

Superannuation contribution work test

The work test is still a requirement for anyone aged 67 and over who wishes to make a concessional contribution to superannuation before 30 June.

To satisfy the work test, an individual must be gainfully employed for at least 40 hours during a consecutive 30-day period in the same financial year as the contribution is made.

A contribution may be made before the work test is met; however, it is preferable to satisfy the work test first to ensure the contribution is valid. If a contribution is made and later found to be invalid, any 15% tax already deducted by the fund will not be refunded.

Work test exemption (WTE)

Individuals aged 67 to 74 may be able to make additional voluntary contributions for up to 12 months from the end of the financial year in which they last met the work test. They will need to meet the following criteria:

1. Their total superannuation balance was under \$300,000 on 30 June in the previous financial year.
2. They met the work test in the previous financial year.
3. No WTE contributions were received in the previous financial year.

For example, Steven, aged 68, retired on 30 June 2025 with a total superannuation balance of \$150,000. On 12 August 2025, he sold his investment property, bringing forward the capital gains into the year in which he had no employment income, thus lowering his taxable income. He then used the proceeds to make both a concessional and non-concessional contribution before 30 June 2026.

As non-concessional contributions do not require the work test, the exemption only applies to personal concessional contributions.

Superannuation pension payments

Pension payments and minimum and maximum limits should be reviewed each year. Accurate figures must be obtained for each member, as penalties may apply where payments fall outside the required range.

The standard and revised minimums are as follows:

Age	Standard Minimum
Under 65	4%
65-74	5%
75-79	6%
80-84	7%
85-89	9%
90-94	11%
95+	14%

The maximum transition to retirement pension remains at 10%.

For example, Jane, aged 68, had an SMSF valued at \$480,000 on 1 July 2025. Her usual minimum is \$24,000 (5%), which she generally elects to draw as a single payment in June.

Superannuation contribution splitting

The pension transfer cap on funds in the tax-free pension phase has increased the importance of managing balances across members of a couple. Superannuation splitting allows a member with a higher account balance to transfer up to 85% of their concessional contributions to their spouse, after allowing for the 15% contributions tax.

The receiving spouse must be below preservation age or between preservation age and 65 and not retired. Applications must generally be completed in the financial year immediately after the contribution was made, or in the same financial year if the account is going to be closed.

Account based pensions and condition of release considerations

The transfer balance cap (TBC)

will index from \$2 million to \$2.1 million from 1 July 2026. The TBC is the maximum amount of super you can transfer into a retirement phase pension (tax-free phase).

For individuals aged 60 and over, it is important to understand the conditions of release that would allow access to superannuation and the ability to start a tax-free account based pension. As part of the end of financial year review, determining whether a condition of release has been met may provide significant benefits.

Common conditions of release include retirement after reaching preservation age and reaching age 65, regardless of work status. Another, less widely recognised condition is ceasing an employment arrangement on or after age 60. This can apply even if an individual has more than one job and only one employment arrangement ends.

Clients approaching retirement should consider whether delaying the commencement of a pension until after 1 July 2026 may allow them to benefit from the increased \$2.1 million transfer balance cap.

Government co-contribution

Anyone with an adjusted taxable income of less than \$62,488 can take advantage of the government co-contribution; however, the maximum benefit of \$500 begins to taper down when their taxable income exceeds \$47,488.

To receive the maximum \$500, a contribution of \$1,000 from after-tax income is required, with taxable income of \$47,488 or less.

Claiming the co-contribution is largely automatic. The steps are simply:

1. Make a personal after-tax contribution to your superannuation fund before 30 June.
2. Ensure your fund has your TFN on record.
3. Lodge your tax return, and the ATO does the rest.

The government co-contribution is not available to individuals who exceed either the non-concessional contribution cap or the total superannuation balance cap of \$2 million.

Spouse contribution

If an individual has an assessable income of less than \$40,000, their spouse may be able to make a non-concessional contribution on their behalf and claim a tax offset. The maximum offset is \$540, where the recipient's assessable income is \$37,000 or less and a \$3,000 spouse

contribution is made. The offset reduces as the receiving spouse's assessable income rises above \$37,000 and phases out entirely at \$40,000.

A spouse contribution must be correctly nominated to the fund as a spouse contribution to ensure the tax offset is received. Large funds typically require separate payment details or processes to distinguish spouse contributions from other contribution types.

While a spouse contribution cannot exceed the recipient's non-concessional contributions cap (for example, \$120,000), it is advisable to limit the spouse contribution to \$3,000 to maximise the spouse tax offset. This also preserves flexibility, as any additional non-concessional contribution may later be reclassified as a personal concessional contribution if appropriate. This flexibility is not available for spouse contributions.

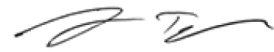
Payday super

From 1 July 2026, employers must pay employee superannuation guarantee (SG) contributions at the same time as their salary and wages, rather than the current quarterly minimum requirement. Payments must be received by the fund within seven business days, with an extended 20-day timeframe available for new employees and when an employee nominates a new fund.

While this change is positive for employees, given the compounding benefits of more frequent superannuation contributions, employers will need to review their cash flow and systems to ensure they remain compliant.

Get in touch

If you would like to discuss any of these strategies further, please contact your Bell Potter adviser.



Jeremy Tyzack
Head of Financial Planning,
Bell Potter Private Wealth

Bell Potter's technical financial advice team can put together a strategy designed to help you achieve your retirement objectives.

Working with you and your Bell Potter Adviser, we can help with most financial aspects of retirement, including:

- Identifying your financial goals
- Structuring your existing assets appropriately
- Identifying your approach to investment and your appetite for risk, and
- Reviewing your current superannuation arrangements.

To create a tailored investment plan based on your needs and objectives call your adviser or 1300 0 BELLS (1300 0 23357).

IMPORTANT INFORMATION: This information was prepared by Bell Potter Securities Limited ABN 25 006 390 772 AFSL 243480 (Bell Potter) for use by Australian residents. This information is of a general nature and does not take into account your personal objectives, situation or needs. Before making a decision about investing, you should consider your financial requirements and if necessary, seek appropriate independent financial, legal, taxation or other advice. This information is believed to be correct at the time of compilation but is not guaranteed to be accurate, complete or timely. Bell Potter and its related bodies corporate do not accept any liability arising out of the use or distribution of this information. Shares should be considered a long-term investment which may be volatile over the short term and may fall in price. Past performance is not a reliable indicator of future returns.