Five Financial Moves to Make in Your 40's

In your 40s? Here's what you need to consider to financially get ahead. Being in your 40s often involves balancing many responsibilities that it becomes easy to neglect your own financial wellbeing. But it's not too late to secure your future. Here are some tips that may help you financially make the most of your 40s.

1. Create a plan
If you don't have a financial plan, it's time to get one. Ensure that it's based on your needs and priorities. By working with a professional adviser, you may be able to tailor a plan that helps you optimise your ability to save and invest.

2. Grow your savings
Your 40s could be your peak earning years, so it may be a good idea to ramp up your savings and funnel some of your income into your superannuation or investment accounts. But be sure to do your homework and consult with a professional financial adviser about your options.

3. Give your super a health check
A quick super health check may help you optimise your retirement savings. For example, by choosing a different investment option or type of risk, you may be able to earn better returns on your super. If you have multiple funds, consolidating your accounts may help you save on fees. Again, seek advice from a professional adviser before acting.

4.Avoid lifestyle creep
People generally have a tendency to inflate their standard of living as they earn more and can afford more things, such as a better car or house. While it's only natural to want the finer things in life, you'll likely end up with little to no financial gain if your spending rises as quickly as your income. Try stick to your long-term financial goals and remember the big picture.

5. Consider investing more
Your 40s may be a good time to invest more – or diversify your investments – to help you grow your long-term savings. But keep in mind that it's important to choose instruments that suit your risk appetite and time horizon. Developing a strategy with your financial adviser might make it easier achieve the return required

Tips and Tricks for Budgeting with Large Families

Take the pain out of managing your family's finances.
Taking care of household finances can be taxing, especially if you have a big family. But with proper planning and budgeting, there's no need to stress.

Here are some tips to help you effectively manage your household finances.

1. Examine your finances
Sitting down as a family and figuring out how much money is coming in and going out may help you gauge the state of your family's finances. A clear picture of your household income and expenses could set you up to manage your cashflow better.

2. Rein in spending
Keeping expenses under control can be tough in a large household. But if you're spending as much as or more than you're earning, you might want to consider limiting your family's discretionary costs by buying only what you can afford.

3. Set financial goals
Setting financial goals as a family may help you work towards future aspirations instead of simply meeting current expenses. Whether it's buying a bigger house or going on a dream holiday, having a financial goal may help your family set priorities and stay on track financially.

4. Keep a budget
Keeping track of spending may help you to better manage your family's finances. By working with a professional financial adviser, you could create a budget that factors in not only income and expenses, but also your financial obligations.

5. Build up emergency and retirement funds
Unplanned expenses such as unforeseen medical bills can put a dent in family finances. By growing your emergency fund to cover six months' worth of expenses, you may be better positioned to handle unexpected events.

While it's easy to neglect your own financial future when providing for your family, saving for retirement should not take second place. Keep in mind that the earlier you start saving, the better chance you have to grow a sufficient nest egg.

6. Working with an adviser
Managing finances for a big family need not be a painful exercise. By working alongside a financial adviser to keep track of your spending, and discussing money matters and setting financial goals as a family, handling household finances is a task you can achieve.

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ISSUE 02
Jun 2019

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In this Issue

Matt's Message

Well, Winter is officially here!

With End Of Financial Year and Tax Time approaching quickly, it's a good time to start thinking about your finances for the year ahead. We have included some articles in this issue on contributions, budgeting for large families and how to get ahead in your 40's.

We will also be keeping you up to date with any changes coming up for the 2019/20 financial year as we hear of them.

As always, keep an eye out for our regular updates on our Facebook page. This month we are featuring some delicious winter warmer recipes recommended by our staff members. We even included one in this issue for a Flu Fighter Chicken Noodle Soup sure to make any sore throats vanish.

Kind Regards,

Matthew Tuson

Matthew Tuson

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Market Update

Highlights for April

- Australian shares rose for four straight weeks in April – the longest winning streak since May 2018. The Australian ASX200 index rose to the highest level since 2007.
- Australian interest rate markets experienced new record lows in yield in April, after the first quarter Consumer Price Index (CPI) showed no change for the quarter. The rate of annual inflation is now just 1.3%.
- The Australian dollar weakened a little once again over the month, with the lower than expected inflation reading driving the fall.
- Commodity prices such as iron ore, thermal coal and oil moved higher.
- The CoreLogic data showed that dwelling prices continued to fall in April, but the pace of the falls moderated again.

Cash
Australian interest rate markets reached new record lows in yield in April, after the Q1 Consumer Price Index (CPI) showed inflation was flat for the quarter and 1.3% for the year. The lower than expected inflation reading, which had been somewhat expected, came at the low end of forecasts and bolstered the case for a near term rate cut for the Reserve Bank of Australia (RBA). After a run of better- than-expected economic data, markets shifted pricing for the next move by the RBA to expect as much as a 65% chance of a cut at the May meeting, but fully priced for 25 basis points (bp) at August and a further 25bp for February 2020.

Australian and Global Fixed Interest
Given the moves in market pricing for the RBA, the bond market followed suit during April, with the highlights being new lows in yield and further difference in Australia/US bond spreads moving further into negative territory. The AUS/US 2 year spread traded to -102bp, its largest differential. That did little to undermine the AUD, with the currency sitting between a more negative interest rate differential and high commodity prices. The 10-year Australian government bond yield fell.

Australian Dollar
The Australian trade weighted index was unchanged in April. AUD/USD started April on the defensive. AUD/USD traded in a 0.5 cent range after the release of the RBA's policy statement. The volatility in AUD may reflect market participants' positioning for a dovish (less optimistic) statement that was not delivered. The RBA did however make a very subtle change to the final paragraph of its statement that could be interpreted as a dovish tilt: "The Board will continue to monitor developments and set monetary policy to support sustainable growth in the economy".
AUD/USD moved higher by 1 US cent in the first half of April. AUD/USD was supported by stronger than expected Australian February retail sales, a record monthly Australian February trade surplus and a 19% surge in building approvals.

But AUD/USD fell in the lead-up to and particularly following the release of the Australian Q1. Headline CPI was flat while underlying CPI increased by only 0.2%/qtr (1.4%/yr), much weaker than expected. Pricing for a RBA rate cut for May surged from 10% before the CPI to 57% after the CPI. In the following days, AUD/USD finally, but only briefly, broke below its 0.7000-0.7200 range in late April.

Commodities
Commodity prices were mostly lower in April, but there were some key exceptions. Iron ore, oil and thermal coal gained last month on mostly commodity specific factors. A stronger US dollar weighed on commodities last month. IMF's downgrade to global economic growth also weighed on demand hopes. Though not all was negative on the demand front. A US-China trade deal is back on the cards. Chinese data has also appeared to turn a corner, suggesting that China's commodity demand may have bottomed. But risks to that view remain even with the allure of increased infrastructure spending and tax cuts.

Iron ore prices tracked higher through the first half of April, before retreating slightly in the second half. The initial increase in iron prices last month mostly reflected reported disruptions to Australia's iron ore exports following Tropical Cyclone Veronica. Rio

Jokes to Liven Up Your Tax Season

A fine is a tax for doing something wrong. A tax is a fine for doing something right.

Why does a 'slight tax increase' cost you two hundred dollars, and a 'substantial tax cut' save you two dollars?

What's the difference between a taxidermist and a tax collector? The taxidermist only takes the skin

Did you hear about the cannibal

Why Does the Financial Year end in June?

There are some theories as to why the fiscal year ends in June in Australia, but the main one is that in the southern hemisphere we are in winter during this period, so businesses aren't on breaks.

Over Christmas and the New Year, when the fiscal years tend to end in the northern hemisphere countries, Australian businesses often close down as employees take longer breaks over the summer months. These holiday periods can make it more difficult for Australians to file their taxes on

Tinto, BHP and Fortescue all flagged lower iron ore export guidance, equivalent to ~1.5% of the seaborne market. Those disruptions added to shortage concerns already exacerbated by the fallout from the dam collapse at Brazilian iron or miner Vale's Feijao mine. Iron ore prices retreated just after mid-April following court approval for Vale to restart its Brucutu mine. The allowance meant that markets were now seeing ~1.5% of iron ore traded on the seaborne market return back online. Despite the decreased shortage risk, iron ore prices continued to trend higher in the second half of April as falling Chinese iron ore port stockpiles, rising steel mill margins and elevated steel mill operating rates kept iron ore prices well bid. It is worth noting that April marked the first substantial fall in China's iron ore port stockpiles since Vale's dam disaster in late January.

Australian thermal coal prices recovered in April as oversupply concerns eased following the rapid fall in prices in March. Prices still remain lower than the beginning of the year as markets remain bearish on thermal coal. That view primarily reflects China's coal policy, which continues to restrict Australian coal exports. Domestic Chinese coal supply is also anticipated to rise this year, but safety and environmental checks could blunt the impact of increasing Chinese production. Rising seaborne supply (particularly from Australia) and weakening demand in the northern hemisphere as winter demand subsides are also keeping a lid on prices.

Oil prices rose sharply in late April after the US announced that it would not renew waivers for countries importing oil from Iran. With Iran exporting ~1.2million barrels per day of oil in the March quarter, ~1.2% of global supply is at risk of being wiped out as a result of the US sanctions. The reality though is likely less severe. China will likely continue to import some oil from Iran, limiting the impact on global supply to under ~1% of global production.

The unexpected announcement signalled further shortage risks to a market that is already grappling with a zealous OPEC-policy to curtail production. While Saudi Arabia has flagged they are willing to lift oil production as Iran's oil exports decline, OPEC and allied producers are also looking to extend their deal to sideline ~1.2% of global supply. The deal currently expires in June, but the group are looking to extend it to the end of 2019. There are also increasing risks to US oil production growth forecasts this year despite easing pipeline takeaway

Government Superannuation Co-Contributions

What is the Government co-contribution?

The co-contribution is a payment the Government makes to your superannuation if you are in the low to middle income thresholds, make voluntary after-tax contributions to your super and satisfy other eligibility criteria.

Generally, income thresholds are indexed each year and the matching rate is up to $0.50 for every $1 you contribute (up to a maximum of $500). This is an incentive for you to contribute to your super.

Who is eligible?

- You are eligible for the co-contribution if, in a financial year (1 July to 30 June):
- you make personal, after-tax superannuation contributions by 30 June to a complying super-annuation fund or retirement savings account (RSA)
- your total income is less than $52,697 (2018/19)
- you receive at least 10% of your total income from eligible employment or carrying on a business, or a combination of both
- you are under 71 years of age at the end of the financial year
- you don't hold a temporary resident visa at any time during the financial year except where a temporary visa holder is also a New Zealand citizen or holder of a subclass 405 (Investor Retirement) or subclass 410 (Retirement) visa
- you lodge an income tax return for the relevant financial year
- your non-concessional contributions for the financial year do not exceed your non-concessional contributions cap.
- your total superannuation balance at 30 June of the previous financial year is less than $1.6 million.

What is total income?

Total income is defined as assessable income plus reportable fringe benefits and reportable employer superannuation contributions (generally salary sacrifice contributions).

How is the co-contribution calculated?

The co-contribution amount depends on how much you contributed and your total income for the financial year ending 30 June. This table shows the approximate co-contribution amounts payable in 2018/19 for people on a range of incomes:

Total income	Personal after-tax contribution to receive maximum co-	Maximum co-contribution
$37,697 or less	$1,000	$500
$40,697	$800	$400
$43,697	$600	$300
$46,697	$400	$200
$49,697	$200	$100
$52,697 or more	$0	$0

How will the Government pay your superannuation co-contribution?

You don't need to claim the co-contribution because, if you qualify and submit a tax return for the year ending 30 June, the Government will automatically forward the co-contribution amount to your superannuation fund. It might take a few months for the money to be deposited into your account, and in some cases you may need to inform the Australian Taxation Office which fund to send it to. You will receive a confirmation letter from the Australian Tax-ation Office once completed.

Salary Sacrifice Contributions

Sacrificing some of your salary into superannuation can be a tax effective way to boost your savings for retirement.

What is salary sacrifice into superannuation?

Salary sacrifice is an arrangement between you and your employer where you agree to forgo part of your before-tax salary in return for your employer making super contributions of the same value.

What are the benefits?

Salary sacrificing into super may increase the level of your retirement savings and may have the added benefit of reducing the income tax you pay. This is because the 'sacrificed' portion goes directly into super and is generally taxed at a maximum rate of 15%1 instead of your marginal tax rate.

Who can salary sacrifice?

Whether salary sacrifice is right for you will depend on your personal circumstances and income level. Generally speaking, if having a more comfortable retirement is your goal and your marginal income tax rate is 19% or higher, salary sacrifice may be a tax effective way to save for your retirement. If you are able to contribute more towards your retirement now, salary sacrifice may make good financial sense.

What are the caps relating to salary sacrifice?

While there are many factors that determine the appropriate amount of salary sacrifice for you, one of the main considerations is the concessional contributions cap.

Contribution caps limit how much you can contribute to your super before additional tax is charged.

You should also consider what age you intend to retire and access your super. If you are under 60 years of age, you may pay tax on withdrawing a portion of your benefit.

What are the rules?

- A salary sacrifice arrangement is an agreement between you and your employer. It is not compulsory for your employer to offer salary sacrifice.
- The salary sacrifice agreement must be made before you earn the salary and relate to your future earnings.
- Salary sacrifice contributions will be deducted from your salary before income tax is calculated and are generally taxed at a maximum rate of 15%1 (contributions tax) in the fund.
- Salary sacrifice contributions are considered to be employer contributions.

Is there a downside to salary sacrificing?

- Your employer may decrease your superannuation guarantee (SG) contributions because salary sacrifice contributions are considered to be employer contributions which count for SG purposes. This could reduce some of the benefits gained by salary sacrificing.
- Once you put money into superannuation it is 'preserved'. Generally this means that it must remain there until you retire on or after preservation age or you reach age 65.
- Your employer may place a limit on the amount of your salary that can be sacrificed to superannuation.
- Salary sacrifice contributions count as a measure of income for many Government benefits and conces-sions.
- The potential to exceed the concessional contributions cap, which may result in additional taxes.
- Superannuation and tax laws do not govern when salary sacrifice contributions deducted from your

Flu Fighter Chicken

Ingredients

For the chicken:

- 500g skinless, boneless chicken breast tenders
- 2 tbs. olive oil
- 1 tsp garlic powder
- 1 tsp ground cumin
- 1/2 tsp chili powder
- 1/2 tsp cayenne pepper
- 1/2 tsp dried oregano
- Salt and Pepper

For the Soup

- 3 tbs olive oil
- 3 lge carrots, peeled ,diced
- 3 stalks celery, diced
- 1 large onion, finely diced
- 8 cloves garlic, minced
- Big pinch of salt
- 1 Litre of chicken stock
- 4 cups water
- 1 bay leaf
- 2 cups small pasta
- Juice of 1 lemon,
- 1/4 cup fresh dill, chopped

Method

- Preheat oven to 190°C. Place chicken in a large baking dish lined with baking paper. Drizzle with 2 tbs of oil and sprinkle with spices.
- Place in the oven and bake for 25 minutes, flipping the chicken at the half way point. Once cooked, pull into small chunks using two forks.
- While the chicken is roast-ing, prepare the soup. Heat olive oil in a large, heavy soup pan over a medium flame. Add carrots, celery, and onion, and cook - stirring occasionally - for 8-9 minutes.
- Add garlic and salt and cook for another minute before adding the bay leaf, water and chicken stock.
- Increase heat to high, bring soup to a boil, then reduce heat to medium-low, stir in pasta and simmer for 12 minutes, or until the vegetables are soft and the