

Personal Insurance ... How Can I Make It More Affordable?

If you or your family faced financial difficulty you could run out of savings very quickly, well before your intended retirement date. So insuring in super could be a great solution if you don't have sufficient cashflow to pay for the premiums outside super.

On the other hand, these insurances can be purchased outside of your super. However, apart from income protection insurance, there are no tax concessions for life and TPD (total and permanent disability) and you have to fund it from your existing cash flows.

Even if you think you could pay the premiums outside super, there are still cost effective benefits of insuring inside super. This is because if you make super contributions, there are some tax concessions, regardless of whether the contributions are used to buy insurance or investments. For example:

- > if you're an employee and are eligible to make salary sacrifice contributions, you may be able to buy insurance through a super fund with pre - tax dollars,
- > if you earn less than 10% of your income from employment (eg if you're self - employed or not employed), you can generally claim your super contributions as a tax deduction, and
- > if you earn less than \$46,920 pa, of which at least 10% is from employment or a business, and you make personal after - tax super contributions, you may be eligible to receive a Government co-contribution of up to \$500 in 2012/13 that could help you cover the cost of future insurance premiums.

There are many considerations when deciding if purchasing personal insurance through super is the right move for you. We encourage you to talk to your Altus Adviser to determine if this will benefit your circumstances.

Unsure or want more information? Contact Rod Dickinson or your Altus Adviser.



It's about the right cover