

Australia- The Retirement Tax Haven?

Looking for a safe, reliable tax-free retirement? Then look no further than retiring to Australia. As a temporary resident holding an investor retirement visa, you can create your own individual tax haven by simply setting up a DIY superannuation fund and then look forward to a tax-free life in retirement.

The **investor retirement visa** is granted for 4 years and is renewable. The principal visa requirements are:

- The main visa applicant must be 55 years or more, but no age limit for the spouse or partner;
- The main applicant and/or partner must have no dependant children; and
- Financial criteria: AUD\$750,000 in net assets and AUD\$750,000 to invest in State government bonds.

A DIY superannuation fund, known in Australia as a Self Managed Super Fund (SMSF), gives you total control of your investments. It can also borrow, which makes it perfect for gearing into residential property, commercial property and shares in listed or privately owned companies.

The benefits of borrowing in a SMSF are massive:

- **Leverage** – borrow to invest in larger assets that your SMSF couldn't otherwise buy;
- **Tax benefits** – just like buying an investment property or shares in your own name, a SMSF can claim the same tax benefits, like interest repayments, depreciation and franking credits etc; and
- **The investment loan** to your SMSF is a **non-recourse loan** – which means that the lender cannot access your SMSF if for any reason your fund fails to make the loan repayments.

Your SMSF also enjoys a low 15% tax rate, and when you turn 60 years of age, the tax rate drops to zero. This means any income or capital gain you receive is entirely tax free.

For example, if you purchased a residential investment property for \$500,000 in your SMSF and by the time you reached the age of 60, your property has increased in value to \$1,200,000, you would have made a capital gain of \$700,000. If you decide to sell the property, the capital gain will be entirely tax-free, whereas if you had purchased the property in your own name you'd be liable for over \$140,000 in tax.

aml | Australian migration lawyers is a division of **msl | Michael Sing Lawyers** and can assist you in:

- Arranging your investor retirement visa application;
- Establishing your superfund trust deed; and
- Acting for you on property acquisitions and transactions.

We also have a team of dedicated specialists:

- A **financial planner** to help you with your investment strategy;
- An **accountant** to prepare your funds annual tax return;
- An **auditor** to take care of your annual audit obligation; and
- A **lender or broker** to get you finance to buy and negatively gear property.

As a result, we have a team that can do it all for you, saving you time, money and hassle.

If you would like to know more about this opportunity for a tax free retirement contact us anytime on the below details.

At aml, we understand the importance of your migration requirements. We offer immigration services and specialist knowledge of Australian migration laws, policy and procedures to ensure accurate advice and preparation of all migration documents.



As a leading industry player with a strong focus on skilled employees, our current program involves regular trips to the UK and South Africa to meet clients, conduct migration seminars and attend migration expos to link Australian employers with skilled migrants.