

Redundancy

Redundancy can affect anyone from the chairman to the trainee. In this situation, there are many things to consider.

It is important to understand how you can manage a redundancy payment so you can make the most of it.

Money to live on

You need to assess how much money you require to live on and how much you will be able to put aside from your payout.

Reducing the tax on your payout

Part of your payout may be tax-free. There are also ways to reduce the tax you pay on the taxable component.

Some components of a redundancy must be taken as a cash payment while others may be able to be rolled over into super, which may be more tax effective.

Centrelink

You may be eligible for some Centrelink support following a redundancy. The structure of your assets and income may increase your eligibility for Government support.

Make sure you get the right advice so that your payout provides long term benefits, for example you may choose to reduce your mortgage or invest it for the long term in growth assets such as shares or contribute it to your super.

Bridges financial planners can help you plan for redundancy to make sure your payout is used wisely. For more information contact us to arrange a complimentary, obligation-free initial appointment with a Bridges financial planner.

