



## *6 smart ways to spend your tax refund*

*Well, tax time is officially over. Did you collect a nice refund? Not sure what to do with it? Before you splurge all of your hard-earned cash, just remember, it is exactly that – hard-earned cash.*

While receiving a lump sum can be exciting, it's actually money that should have been yours all along. For many of us, a tax refund is the biggest lump sum we receive in a single transaction in a year. But before you go and splurge the whole thing, or if you're not sure what to do with the money, consider some of these strategies to put your finances one step ahead.

**1. Pay off your debts.** If you have debts that are accumulating interest, such as credit cards or bank loans, putting your refund towards paying off the plastic is a great investment. While you might be dreaming of that holiday now, ignoring the impulse and reducing your interest could mean more holidays in the future if you hold off splurging and pay back the bank first.

**2. Top up your super.** According to the government, those who want to retire 'comfortably' should focus on saving around half a million dollars for their retirement. Boosting your super early-on means there's more time for your super fund to grow. Putting your tax refund into super might not be gratifying now, but your future self will thank you!

**3. Save it.** As a general rule, we don't miss what we don't see. Why not set up a portion of your refund to go into a long-term savings account – whether it's for a house, investment property or retirement fund and make some serious progress towards your future.

**4. Start a rainy day fund** Building an emergency fund is critical. Circumstances can change pretty quickly and in the current job market it's important to start building up enough cash to last you at least a month or two to give you some financial security until you can find your feet.

**5. Climb the career ladder.** If you've been eying off a promotion at work, or you're looking at a higher-paying career, why not spend the money on developing new skills, or refining old ones. Start a new course, stock up your bookshelf or attend a training course – which of course provides the added bonus of being tax deductible (if you get that promotion, or it relates directly to your work) next year too!

**6. Book a holiday.** Yep, we saved the best until last. While it's not going to have immediate financial benefits, a little time away could be just the break you need to recharge, relax and clear your head. Returning to work after a break could boost your productivity, increase your job satisfaction, and put you in a better frame of mind to tackle those tricky work problems you've been stressing about.