

Recent super reforms at a glance¹

Concessional contributions

Annual before-tax contribution caps

Now

\$30,000

age 48 or under²

\$35,000

age 49 and over²



From 1 July 2017

\$25,000

for everyone



Everyone who is eligible to make personal super contributions will be able to claim a tax deduction for these contributions to eligible super accounts, up to the concessional contribution cap.

From 1 July 2018

\$25,000

There is an opportunity to contribute more than the annual cap if you haven't fully utilised the cap in previous years and your super balance is \$500,000 or less. Cap amounts unused from 1 July 2018 can be carried forward for up to five consecutive years.

Tax on concessional contributions made within the cap

If your income is³

Now

≤\$250,000

15%

\$250,000 to \$300,000

15%

\$300,000+

30%

From 1 July 2017

≤\$250,000

15%

\$250,000 to \$300,000

30%

\$300,000+

30%

Non-concessional contributions

Annual after-tax contribution caps

Now

\$180,000 pa

or

\$540,000

over a three year period if certain conditions are met

From 1 July 2017

\$100,000 pa⁴

or

\$300,000⁴

over a three year period if certain conditions are met

Transitional rules will apply for contributions made between now and the 2018/19 financial year. These rules are complex and it's recommended that you speak to a financial adviser or call us today on **132 652** between 8 am and 6 pm AEST, Monday to Friday.

Spouse contributions



Now

Tax offset for spouse contributions only where recipient income⁵ is less than

\$13,800



From 1 July 2017

Tax offset for spouse contributions only where recipient income⁵ is less than

\$40,000



Super pension limits

(Limit amount transferred to tax-free pension accounts)

Now



No limit

From 1 July 2017



\$1.6 million

lifetime cap applies to everyone



People with existing pensions over \$1.6 million will need to **reduce their total pension balance** to or below this limit by **1 July 2017** to avoid penalties



Any amount exceeding \$1.6 million can be held in an **accumulation account**

Earnings tax in the accumulation accounts



15%

Remains the same

at 15% (10% on capital gains⁶)

Transition to retirement pension

A transition to retirement (TTR) pension allows you to reduce your working hours but not your lifestyle by using TTR pension payments to supplement your income.

Earnings tax rates

Now



Tax free

From 1 July 2017



15%

¹ Legislated on 29 November 2016.

² As at 30 June of previous financial year.

³ Income for these purposes is determined according to the Tax Law.

⁴ After-tax contributions cannot be made where super balance exceeds \$1.6m.

⁵ Assessable income plus reportable fringe benefits and reportable employer super contributions.

⁶ Where eligible for the capital gains tax discount.