

## WHAT IS THE IMPACT ON YOUR SUPERANNUATION?

Changes to superannuation include:

- **\$1.6m cap on super transfers into retirement products** - The maximum which can be moved into the pension phase of super e.g. superannuation pension or annuities, is now capped at \$1.6 million, in an effort to limit the profits/earnings that can qualify for the current 0% fund tax rate.
- **\$500k lifetime non-concessional contributions cap** - A lifetime limit of \$500k of after tax (non-concessional) contributions will take effect from 3 May 2016. This will replace the current \$180k/\$540k non-concessional contributions cap.
- **Concessional contributions tax increase and reduction in concessional contributions cap** - From 1 July 2017, the government will tax concessional superannuation contributions received by individuals with incomes of \$250k or more, at 30%, rather than the standard 15% contributions tax rate. The definition of income used is very broad and includes taxable income as well as fringe benefits, some investment losses, and your concessional superannuation contributions for the year. In addition, the concessional superannuation contributions cap will be reduced from \$30k/\$35k to \$25k from 1 July 2017.
- **Tax deductions for personal superannuation contributions** - All individuals up to age 75 will be able to claim a tax deduction for personal superannuation contributions irrespective of their employment circumstances from 1 July 2017.
- **Removal of 'work test' for superannuation contributions** - Contributions to super from 1 July 2017 for people aged 65-74 will be permitted irrespective of that person's working status.
- **Low income superannuation tax offset** - From 1 July 2017, low income earners getting less than \$37,000 a year will get a rebate on contributions tax paid for concessional contributions, up to a maximum \$500.
- **Spouse Tax Offset** - The threshold for claiming an offset for super contributions paid to a low income spouse, will increase for the receiving spouse to \$37,000 from \$10,800.



163 Pascoe Vale Road  
Moonee Ponds VIC 3039

T: 9326.2400

F: 9326.2411

E: [pbcjoe@bigpond.net.au](mailto:pbcjoe@bigpond.net.au)