

Superannuation Contributions

Concessional	Non-concessional
Compulsory employer contributions (SG)	Personal after tax contributions
Salary sacrifice contributions	Spouse contributions
Personal tax deductible contributions	Contributions which exceeded your concessional cap

- Contributions are counted towards the caps in the year in which the cash is received into the fund's bank account.
- The 10% rule is removed for personal tax deductible contributions.
- To claim a tax deduction for a super contribution, you must lodge a s290-170 of the ITAA 1997 notice with the super fund.

Concessional Contributions (CC)

Age at July 1	Contribution Limit				
	16/17	17/18	18/19	19/20	20/21
Age < 50	\$30,000	\$25,000	\$25,000	\$25,000	\$25,000
Age > 50	\$35,000				

- From 1 July 2018, where TSB is under \$500,000, a member can carry forward any unused CC cap for up to 5 years to make additional CCs from 2019/20 onwards.

Non - Concessional Contributions (NCC)

	Contribution Limit				
	2016/17	17/18	18/19	19/20	20/21
Age < 75	\$180,000	\$100,000	\$100,000	\$100,000	\$100,000

- Aged under 65 at 1 July 2020 may 'bring forward' two years of contributions (i.e. 3 x annual cap), subject to TSB. (Pending law change to increase age to 67.)
- Aged over 65 at 1 July 2020 is restricted to the annual limit. (Pending law change to increase age to 67.)
- Taxpayers with a total super balance over \$1.6 million will not be able to make NCCs.

Superannuation Balance	Contribution and bring forward available
Less than \$1.4 million	3 years (\$300,000)
\$1.4 - <\$1.5 million	2 years (\$200,000)
\$1.5 - <\$1.6 million	1 year (\$100,000)
\$1.6 million	Nil

Non - Concessional Contributions cap exemptions

- Proceeds from settlement of personal injury.
- Government co-contribution payments.
- Rollovers from taxed superannuation funds.
- Proceeds from sale of small business CGT assets up to cap limit.
- Downsizer contributions up to lifetime \$300,000 limit.

CGT Cap Amount				
2016/17	17/18	18/19	19/20	20/21
\$1.415m	\$1.445m	\$1.480	\$1.515m	\$1.565m

Excess Contributions Tax (ECT)

Contribution	Excess contributions tax
Concessional (CC)	Excess CC (ECC) plus ECC charge will be taxed at marginal rates, with a 15% tax offset for contributions tax already paid.
Non-concessional (NCC)	Elect to withdraw excess NCC (ENCC) plus associated earnings, earnings will be taxed at marginal rates. Or leave in fund and pay ECT at 47%.

- ECC will count towards your NCCs cap. This can be avoided by electing to release the ECC.
- May elect to withdraw 85% of the ECC to pay the tax debt.
- Complete the ENCC election form to withdraw ENCC and earnings from the fund.
- Associated earnings is calculated on the current general interest charge rate.

Contributions tax for higher income earners

- Adjusted Taxable Income (ATI) > \$250,000 then additional tax of 15%.
- ATI = ISP - RSC + LTC
 - ISP includes: taxable income, reportable fringe benefits, investment loss & RSC
 - RSC includes: reportable superannuation contributions (eg: salary sacrifice)
 - LTC includes: CCs less excess contributions
- CCs that exceed the CC cap won't be subject to Div 293 tax.

Spousal contributions

- Members can claim the maximum tax offset of \$540 when their spouse's income is \$37,000 or less. The tax offset amount will gradually reduce for income above this amount and completely phase out when your spouse's income reaches \$40,000.
- No tax offset available where receiving spouse:
 - exceeds their NCC for the relevant year
 - has a total super balance of greater than \$1.6 million
- Spousal income includes assessable income, total reportable fringe benefits and reportable employer super contributions.
- Member can split up to 85% of their CC each year with their spouse providing spouse is <65, not retired and application lodged within specific time frame.

Government Co-Contributions for 2020/21

Total Income	Maximum Government Co-Contribution (50c for every \$1 contributed)
Less than or equal to \$39,837	\$500
\$39,838 - \$54,837	\$500 - [(Total Income - \$39,837) x 3.333%]
Greater than \$54,837	Nil

Contribution eligibility

	Employer mandated	Employer non-mandated	Member	Spouse or other
Work test required where member aged 67 or over	N/A	Yes	Yes	Yes
Age Limit	None	75	75	75

- Work test before making contributions is to work 40 hours in a 30 day period at least one financial year before contributing.
- From 1 July 2020, those aged 67-74 with a TSB below \$300,000 are able to make voluntary contributions for 12 months from the end of the financial year in which they last met the work test. In 2019/2020 applied to those aged 65 to 74.
- Pre 1 July 2020, the work test applied to all members aged 65 and over.
- Pre 1 July 2020, spouse contributions could only be made for a spouse under the age of 70.
- Age limit does not apply to downsizer contributions.

Superannuation Benefit Payments

Preservation of benefits

- An individual must reach their preservation age before they can access their superannuation benefits.

Date of birth	Preservation Age
Before 1 July 1960	55
1 July 1960 - 30 June 1961	56
1 July 1961 - 30 June 1962	57
1 July 1962 - 30 June 1963	58
1 July 1963 - 30 June 1964	59
After 1 July 1964	60

Conditions of release

- Superannuation monies can only be withdrawn when a member meets a condition of release. The following are legislated conditions of release:

Conditions of Release	
Reach preservation age and retire	Temporary or permanent disability
Cease employment (> 60 yrs)	Depart Australia permanently
Aged over 65 years	Financial hardship or compassionate grounds
Transition to Retirement Pension - over preservation age	Cease employment & account balance < \$200
Death	Terminal medical condition
First Home Super Saver Scheme	Release authorities issued

- Compassionate grounds includes access to \$10,000 in 19/20 and an additional \$10,000 between 1 July and 24 September 2020 if financially impacted by COVID-19.

Superannuation Income Stream Benefits

Minimum and maximum annual payments

Age at 1 July	Minimum withdrawal
Under 65	4%
65 - 74	5%
75 - 79	6%
80 - 84	7%
85 - 89	9%
90 - 94	11%
95 and over	14%
Maximum withdrawal for TRIS is 10%.	

- Account based pension minimum withdrawals reduced by 50% in 19/20 and 20/21 due to impact of COVID-19.

Taxation of income streams

- Tax free component is not taxed. Taxable component is taxed as follows:

Age	Taxable Component Tax Rate	
	From taxed sources	From untaxed sources
Age 60 or above	Not assessable, not exempt income	Taxed at marginal tax rates, with a 10% tax offset
At or above preservation age and under 60	Taxed at marginal tax rates and tax offset of 15% is available	Taxed at marginal tax rates, with no tax offset
Under preservation age	Taxed at marginal tax rates, with no tax offset (Tax offset of 15% is available if a disability super benefit)	Taxed at marginal tax rates, with no tax offset

- On 1 July 2017, an individual on a TRIS who has not met a condition of release won't satisfy as an income stream in retirement phase and the super fund won't garner ECPI.

Superannuation Lump Sum Benefit Payments

- Low rate cap amount is \$215,000 in 2020/21.

Income Component	Age at Payment Date	Amount Subject to Tax	Tax Rate (excludes Medicare Levy)
Component - Taxed Element	Under preservation age	Whole Amount	20%
	At or above preservation age and under 60	To low cap amount	Nil
		Above low cap amount	15%
	Age 60 and above	Whole amount	0%

Superannuation Death Benefit Payments

Lump sum death benefit payments

- Lump Sum Death Benefits paid to tax dependants are tax free in the hands of the tax dependant.
- Tax free component of the lump sum is not taxed. Taxable component of the lump sum is taxed as follows:

Income Component	Amount Subject to Tax	Tax Rate (excludes Medicare Levy)
Dependants - taxable component - taxed & untaxed elements	Nil	0%
Non-dependants - taxable component - taxed element	Whole amount	15%
Non-dependants - taxable component - untaxed element	Whole amount	30%

Income stream death benefit payment

- Income streams death benefits are limited by the TBC and cannot be paid to non-dependants.
- Tax free component is not taxed. Taxable component is taxed as follows:

Income Component	Age at Payment Date	Amount Subject to Tax	Tax Rate (excludes Medicare Levy)
Taxable Component - Taxed Element	Either the deceased or dependant aged 60 or over	None	Nil
	Both deceased and the dependant aged under 60	Whole amount	Taxed at marginal tax rates, with a 15% tax offset
Taxable Component - Untaxed Element	Either the deceased or dependant aged 60 or over	Whole amount	Taxed at marginal tax rates, with a 10% tax offset
	Both deceased and the dependant aged under 60	Whole amount	Taxed at marginal tax rates, with no tax offset

\$1.6 million Transfer Balance Cap

- All members who are receiving a pension on 1 July 2017 or the day you first receive a retirement phase income stream will have a transfer balance cap of \$1.6 million created at that time.
- The cap operates on the basis of "credits" counting to the cap and "debits" removing value from the cap.

Credits	Debits
The value of super interest supporting income streams on 30 June 2017	Commutations of superannuation income streams
Commencement of new superannuation income streams from 1 July 2017 onwards	Structured settlement payments contributed to superannuation
The value of reversionary income streams when an individual becomes entitled to them	Certain payments arising from family law splits, fraudulent or void transaction
LRBA loan repayment when the LRBA was entered into after 1 July 2017 and the payments result in an increase in the value of the members super interest supporting their retirement phase income stream.	Trustee fails to pay the minimum pension and the income stream stops being in retirement phase
Notional earnings accruing to excess transfer balance amounts	

Transfer Balance Account Reporting (TBAR)

- SMSFs that have ANY members with a TSB of \$1m or more on 30 June the year before the first member starts their income stream, must report within 28 days after the end of the quarter in which the event occurs.
- An SMSF set as annual or quarterly reporting does not change.

Capped defined benefit income streams

- A life-time pension or annuity's special value is the individuals annual entitlement multiplied by 16.
- A non-commutable life expectancy or market-linked product. The individuals special value is their annual entitlement multiplied by the product's remaining term (rounded up).
- An individual's 'defined benefit income cap' is their general transfer balance cap for the financial year divided by 16.
- Exceeding the DBIC will result in additional income tax.

2020-2021 Individual Tax Rates

Taxable income	Tax on this income
0 - \$18,200	Nil
\$18,201 - \$37,000	19c for each \$1 over \$18,200
\$37,001 - \$90,000	\$3,572 plus 32.5c for each \$1 over \$37,000
\$90,001 - \$180,000	\$20,797 plus 37c for each \$1 over \$90,000
\$180,001 and over	\$54,097 plus 45c for each \$1 over \$180,000