

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 amount is allocated to a member's account.
- To claim a tax deduction for a super contribution, a member must lodge a s290-170 of the ITAA 1997 notice with the super fund. Trustee must acknowledge.

Contribution Caps

All ages	Contribution Caps (annual)	
	17/18 - 20/21	21/22
Concessional contribution (CC) cap	\$25,000	\$27,500
Non concessional contribution (NCC) cap	\$100,000	\$110,000

- If Total Super Balance (TSB) is under \$500,000 on 30 June of prior year, a member can carry forward any unused CC cap from 1 July 2018, for up to 5 years. Additional CCs can be made from 2019/20 onwards.
- Members aged under 65 on 1 July, may 'bring forward' two years of NCCs (i.e. 3 x annual NCC cap), subject to TSB. (Pending law change to increase age to 67.)
- Members aged over 65 on 1 July, restricted to the annual NCC limit. (Pending law change to increase age to 67.)
- Members with a TSB of \$1.7m or more on 30 June 2021, cannot make any NCCs in 2021/22. Also applies if bring forward period has been triggered.
- Members lock in their bring forward period and maximum amount in the year they exceed their NCC cap. If triggered prior to 1 July 2021, indexation of NCC cap does not apply.

Total Superannuation Balance (TSB)	NCCs and bring forward available (From 1 July 2021)
Less than \$1.48 million	3 years (\$330,000)
\$1.48 - <\$1.59 million	2 years (\$220,000)
\$1.59 - <\$1.7 million	1 year (\$110,000)
\$1.7 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.

Small Business Lifetime CGT Cap				
17/18	18/19	19/20	20/21	21/22
\$1.445m	\$1.480	\$1.515m	\$1.565m	\$1.615m

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.
- Must complete the ENCC election form to withdraw ENCC and earnings from the fund.
- Associated earnings is calculated on the current general interest charge rate.

Div 293 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

- A minimum contribution of \$3,000 can claim the maximum tax offset of \$540, provided the spouse's income is \$37,000 or less. The tax offset gradually reduces and completely phases out when a spouse's income reaches \$40,000.
- No tax offset available where receiving spouse exceeds their NCC cap for the relevant year or has a TSB greater than \$1.7m.
- 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 provided spouse is under age 65, not retired and the 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 \$41,112	\$500
\$41,113 - \$56,112	\$500 - ((Total Income - \$41,112) x 3.333%)
Greater than \$56,112	Nil

- To be eligible, a member must have a TSB of less than \$1.7m and must not exceed their NCC cap for the relevant year.

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
* Budget 2021 plan to remove work test from 1 July 2022				
Age Limit	None	75	75	75

- To meet the work test, member must be gainfully employed for at least 40 hours in a 30 day period in the financial year, before they contribute.
- If aged 67-74 with a TSB below \$300,000, a member can make voluntary contributions for 12 months from the end of the financial year in which they last met the work test.
- 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.
- No upper age limit applies for eligible downsizer contributions for over 65s. (Budget 2021 announced downsizer to be available to over 60s from 1 July 2022).

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 - reached 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 31 December 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.

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

- From 1 July 2017, a fund paying a Transition to Retirement Income Stream (TRIS) to a member who has not met a condition of release won't be able to garner exempt current pension income (ECPI).

Superannuation Lump Sum Benefit Payments

- Low rate lifetime cap amount is \$225,000 in 2021/22.

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	Up to \$225,000	Nil
		Above \$225,000	15%
	Age 60 and above	None	0%

Superannuation Death Benefit Payments

Lump sum death benefit payments

Lump Sum Component	Dependant	Non-dependant
Tax Free Component	0% Non assessable, Non exempt income	0% Non assessable, Non exempt income
Taxable Component - Taxed element	0% Non assessable, Non exempt income	15% Plus Medicare Levy
Taxable Component - Untaxed element	0% Non assessable, Non exempt income	30% Plus Medicare Levy

Income stream death benefit payment

- Limited by the beneficiary's Transfer Balance Cap (TBC).
- Can only be paid to a dependant.
- When paid to a child of the member, they are:
 - Aged less than 18
 - Aged 18-24 and financial dependant
 - Aged 18 or over & disabled (s.8(1) Disability Services Act 1986)

Income Component	Age at Payment Date	Amount Subject to Tax	Tax Rate (excludes Medicare Levy)
Tax Free Component	Any age	None	Nil
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

\$1.7 million Transfer Balance Cap (TBC)

- Members who first receive a retirement phase income stream on or after 1 July 2021, will have a TBC \$1.7m.
- Members with a transfer balance account (TBA) before 1 July 2021, will have a personal TBC between \$1.6m - \$1.7m, based on their highest balance in their TBA.
- 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 an event occurs.
- An SMSF set as annual or quarterly reporting does not change.

Capped defined benefit income streams (CDBIS)

- CDBISs include any non commutable lifetime, life expectancy or market linked pension that was being paid from an SMSF on 1 July 2017. Excludes any such pensions restructured post 1 July 2017
- Additional tax may apply to pensions exceeding the 'defined benefit income cap' (DBIC). In 2021/22 this cap is \$106,250 and is based on the relevant general TBC (not a member's personal cap) divided by 16.

2021- 2022 Individual Tax Rates

Taxable income	Tax on this income
0 - \$18,200	Nil
\$18,201 - \$45,000	19c for each \$1 over \$18,200
\$45,001 - \$120,000	\$5,092 plus 32.5c for each \$1 over \$45,000
\$120,001 - \$180,000	\$29,467 plus 37c for each \$1 over \$120,000
\$180,001 and over	\$51,667 plus 45c for each \$1 over \$180,000