

# Proposed super reforms at a glance<sup>1</sup>

## Concessional contributions

### Annual before-tax contribution caps

Now	From 1 July 2017	From 1 July 2018
<b>\$30,000</b> age 48 or under <sup>2</sup>	<b>\$25,000</b> for everyone	<b>\$25,000</b>
<b>\$35,000</b> age 49 and over <sup>2</sup>		

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.

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.

### Tax on concessional contributions made within the cap

If your income is<sup>3</sup>

Now	From 1 July 2017
≤\$250,000 ● <b>15%</b>	≤\$250,000 ● <b>15%</b>
\$250,000 to \$300,000 ● <b>15%</b>	\$250,000 to \$300,000 ● <b>30%</b>
\$300,000+ ● <b>30%</b>	\$300,000+ ● <b>30%</b>

## Non-concessional contributions

### Annual after-tax contribution caps

Now	From 1 July 2017
<b>\$180,000 pa</b> or <b>\$540,000</b> over a three year period if certain conditions are met	<b>\$100,000 pa<sup>4</sup></b> or <b>\$300,000<sup>4</sup></b> over a three year period if certain conditions are met

## Spouse contributions

Now	From 1 July 2017
<b>Tax offset for spouse contributions only where recipient income<sup>5</sup> is less than</b> <b>\$13,800</b>	<b>Tax offset for spouse contributions only where recipient income<sup>5</sup> is less than</b> <b>\$40,000</b>

## Super pension limits

(Limit amount transferred to tax-free pension accounts)

Now	From 1 July 2017
<b>No limit</b>	<b>\$1.6 million</b> 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 a super accumulation account

## Earnings tax in the super accumulation accounts

**15%**

**Remains the same** at 15% (10% on capital gains<sup>6</sup>)

## 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	From 1 July 2017
<b>Tax free</b>	<b>15%</b>

<sup>1</sup> The proposed reforms are not yet law.  
<sup>2</sup> As at 30 June of previous financial year.  
<sup>3</sup> Income for these purposes is determined according to the Tax Law.  
<sup>4</sup> After-tax contributions cannot be made where super balance exceeds \$1.6m.  
<sup>5</sup> Assessable income plus reportable fringe benefits and reportable employer super contributions.  
<sup>6</sup> Where eligible for the capital gains tax discount.

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