

Superannuation Guide: 2011-2012

Fact Sheet

Based on Legislation as at July 2011

Contributions

Acceptance

Age of member	Fund may accept contributions that are:
Under 65	Made by or on behalf of member at any time
65 to 69	Mandated contributions; or Made by or on behalf of the member provided member meets work test*
70 to 74	Mandated contributions; or Made by the member or voluntary employer contributions (including salary sacrifice) provided member meets the work test* and contributions are received within 28 days of the end of the month in which the member reaches age 75
75 & over	Mandated contributions under award

*Work test - member has been gainfully employed for a minimum of 40 hours over 30 consecutive days during the financial year in which the contributions are made.

No SG payable where:

- Earnings < \$450 a month
- Part-time employees under 18 years (that is, working under 30 hours per week)

Self Employed

- Not required to make contributions
- Contributions which are made can be claimed as a tax deduction where less than 10 per cent of assessable income (which includes reportable fringe benefits + reportable super contributions and net investment losses) is received from employment as an employee.

Spouse Contribution Tax Offset

Spouse Assessable Income (SAI)\$*	Max. Rebatable Contribution (MRC)\$	Max. Rebate \$ (18% of the lesser of)
0 - 10,800	3,000	MRC or actual contribution
10,801 - 13,799	3000 - (SAI-10,800)	MRC or actual Contribution
13,800 +	Nil	Nil

* Includes reportable fringe benefits + reportable employer super contributions.

Contribution Caps

Contribution	Cap	Excess contributions tax*
Concessional contribution (CC)+ (age 50 and over)	\$25,000 [^] p.a. \$50,000 ^{^^} p.a.	30%
Non-concessional contribution (NCC)	\$150,000 ^{^^^} p.a. or 3 year limit of \$450,000	45%

+ Proposed that from 1 July 2011 concessional contributions in excess of the cap can be refunded for a first time breach only, up to a maximum of \$10,000.
[^] Indexed to average weekly earnings will only increase in \$5,000 Increments.
^{^^} Transitional cap until financial year 2011/12. Proposed that from 1 July 2012 the \$50,000 cap will continue to be available to individuals over 50 whose superannuation balance is under \$500,000.
^{^^^} Cap equal to six times the concessional contributions cap, NCC can only be accepted by the super fund if the member's TFN has been quoted to the fund.
* Plus Medicare Levy (1.5%)
** In addition to 15% tax on contributions. Excess concessional contributions also count towards the NCC cap.
Note: Contributions made by employers or the self-employed are fully tax deductible up to age 75.

Superannuation Government Co-contribution

Assessable income (AI)\$	Max. Government co-contribution
0 - 31,920	1000
31,921 - 61,920	1000 - ((AI-31,920) x 0.03333)
61,921+	Nil

- Available for personal contributions made
- Must earn 10% or more of total income from carrying on a business, eligible employment or combination of both.
- Total income = Assessable income (including any reportable FBT + reportable super contributions + net investment losses) - deductions entitled for carrying on a business (excluding work related employee deductions or deductions for personal contributions)
- Tax return must be lodged. Payment will then be calculated by ATO and paid directly to individual's fund.

Preservation Age*

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 - 1 July 1963	58
1 July 1963 - 1 July 1964	59
After 30 June 1964	60

*All superannuation contributions and earnings from 1 July 1999 are preserved.

Superannuation Income Streams

Minimum Income Stream Percentage Factors

Age at start of pension & each 1 July	Factor *
Under 65	4%
65 - 74	5%
75 - 79	6%
80 - 84	7%
85 - 89	9%
90 - 94	11%
95 + over	14%

*Minimum payment amount for account-based pensions reduced by 25% for 2011/2012.

Taxation of Superannuation

Superannuation Benefits – Income Streams

	Maximum tax rate*
Tax free component	0%**
Taxable component - taxed element^ Age 60 & over Preservation age to 60 Under preservation age	0%** Marginal rate with 15% tax offset Marginal rate
Taxable component - untaxed element^ Age 60 & over Age 59 & under	Marginal rate with 10% tax offset Marginal rate

* Plus Medicare Levy (1.5%) and Flood Levy (applies to taxable income over \$50,000)
** Where benefits have been subject to tax in the fund, amounts are not assessable and are tax free.

Superannuation Benefits—Lump Sums

	Thresholds^^	Tax Rate*
Tax free component		0%**
Taxable component - taxed element^ Age 60 & over		0%
Preservation age to 59	\$0 - \$165,000^ Over \$165,000	0% 15%
Under preservation age		20%
Taxable component - untaxed element^ Age 60 & over	\$0 - \$1,205,000 Over \$1,205,000	15%** 45%
Preservation age	\$0 - \$165,000 \$165,000 - \$1,205,000 Over \$1,205,000	15% 30% 45%
Under preservation age	\$0 - \$1,205,000 Over \$1,205,000	30% 45%

* Plus Medicare Levy (1.5%) and Flood Levy (applies to taxable income over \$50,000)
** Where benefits have been subject to tax in the fund, amounts are not assessable and are tax free
^ If benefit paid has a taxable component with both a taxed and untaxed element, the low rate cap applies to the taxed element first.
^^ Indexed to average weekly earnings, will only increase in \$5,000 increments.

Death Benefit Superannuation Payments

	Maximum Tax rate*
Lump sum - paid to dependent	0%**
Lump sum - paid to non-dependent	
Tax free component	0%**
Taxable component	
- Taxed element	15%
- Untaxed element	30%
Pension - deceased /primary beneficiary over 60	0%**
Pension - Primary beneficiary under 60	
Tax free component	0%**
Taxable component	
- Included in assessable income	Marginal tax rate Pension rebate of 15% for individuals between preservation age & 60

* Plus Medicare Levy (1.5%) and Flood Levy (applies to taxable income over \$50,000)
** Not assessable.