Budget 2016

JOBS & GROWTH

Superannuation reforms at a glance

	BEFORE			**AFTER** (from 1 July 2017)		
	TAX	**LIMIT**	**OTHER**	**TAX**	**LIMIT**	**OTHER**
CONCESSIONAL (BEFORE-TAX) CONTRIBUTIONS Include: • compulsory Super Guarantee contributions; • voluntary salary sacrificed contributions; and • voluntary personal contributions where a tax deduction is claimed.	15% 30% if income and super >$300K refund tax if income ≤$37,000 Low Income Super Contribution	**$30,000 p.a ($35,000 for people 50 and over)**	Only the self-employed whose salary and/or wage is less than 10% of their income can make deductible contributions. People aged 65-74 can only make voluntary contributions if they are working. People can only make non-concessional contributions to their spouse if their spouse is less than 65 or 65-70 and working.	15% 30% if income and super >$250K refund tax if income ≤$37,000 Low Income Super Tax Offset	**$25,000 p.a for everyone** and allowing catch-up contributions of unused caps from the prior 5 years for people with balances of $500,000 or less, from 1 July 2018.	**More people** are able to claim a tax deduction for super contributions to eligible super accounts up to the cap. People aged 65-74 can only make voluntary contributions if they are working. People can only make non-concessional contributions to their spouse if their spouse is less than 65 or 65-70 and working.
NON-CONCESSIONAL (AFTER-TAX) CONTRIBUTIONS Include: • contributions from take home pay; • inheritances; • spouse contributions; • proceeds from sales of assets; and • contributions above the concession limit.	After-tax income no tax in fund	**$180,000 p.a** 3 yr bring forward for people under 65.	**$1.4 million** additional CGT cap for eligible small business owners . Tax offset for spouse contributions only where recipient income is less than **$13,800**	After-tax income no tax in fund	**$100,000 p.a** for people with balances less than $1.6m, with 3yr bring forward for people under 65.	**$1.4 million** additional CGT cap for eligible small business owners. Tax offset for spouse contributions where spouse income is less than **$40,000**
EARNINGS TAX ON ACCUMULATION ACCOUNTS	15% (10% on capital gains)			15% (10% on capital gains)		
EARNINGS TAX ON RETIREMENT PHASE ACCOUNTS	TAX FREE	**no limit** No limit on the size of retirement phase accounts	People who have reached preservation age but are under 65 and not retired **can access** a transitional super income stream (TRIS) with tax free earnings. Only income streams that pay a regular income are eligible for the earnings tax exemption.	TAX FREE	**$1.6m transfer balance limit** Excess balances can be held in an accumulation account.	People who have reached preservation age but are under 65 and not retired **can still access** a transitional super income stream (TRIS)but earnings on the amount supporting it will be taxed at 15%. Innovative new retirement income stream products will **become eligible** for the earnings tax exemption.
BENEFITS	TAX FREE	Minimum draw down requirements for retirement account based pensions.	People can elect to treat certain income streams (including TRIS) as lump sum payments to **reduce their tax liability**.	TAX FREE	Minimum draw down requirements for retirement account based pensions.	People will **no longer** be able to treat super income streams (including TRIS) as lump sum payments to reduce their tax.