

Super rates and thresholds for 2016/2017 year

Contributions

Acceptable contributions

Age of member	Contribution and conditions
Under 65	All contributions that are made for the respective member
Age 65-75	Contributions made for respective members that are: <ul style="list-style-type: none"> ▪ Mandated employer contributions; or ▪ Where the member satisfies the work test** during the year in which the contributions are made: <ul style="list-style-type: none"> ○ Employer contributions (except mandated employer contributions) ○ Member contributions
75 and over	Contributions made for the respective members that are mandated employer contributions From 1 July 2013 mandated employer contributions include Superannuation Guarantee contributions.

* Work test – test requiring a member to have worked for at least 40 hours within a 30 consecutive days in a financial year.

***NOTE, In the 2016 Federal Budget the Government announced that from 1 July 2017, the rules that limit the ability of working Australians aged under 75 to make contributions to their own or their spouse's superannuation will change. Specifically the Government will:**

- Remove the requirement that individuals aged 65 to 74 must meet a work test before making voluntary or non-concessional contributions to superannuation and
- Allow individuals to make contributions to a spouse aged under 75 without the need for the spouse to meet the work test.

Contributions Caps

	Concessional Contributions Cap	Non-concessional Contributions Cap
Financial years 2013 – 2014	\$25,000 (up to age 59) \$35,000 (age 59+)	\$150,000 or \$450,000 over 3 years.
Financial years 2014 – 2015, 2015-2016, and 2016 - 2017	\$30,000 (up to age 49) \$35,000 (age 49 +)	\$180,000 or \$540,000 over 3 years
Financial years 2017 onwards	\$25,000 (all ages)* ^	Lifetime cap of \$500,000**

Excess Contributions Tax (Tax on amounts over the cap)	For years 2012-13 and earlier, 31.5% (in addition to the 15% paid by the super fund)	Prior to 1 July 2013 - 46.5%
	For years 2013-14 and later years, excess contributions are included in an individual's taxable income (with a non-refundable tax offset equal to the 15% tax paid by the fund)	Individuals who have made excess non-concessional contributions from 1 July 2013 will be allowed to withdraw those excess contributions and associated earnings. As a result, the individual can now elect either to release the excess contributions and 85% of the associated earnings on that excess or not to release and retain the excess in superannuation fund. If the first option is elected then the individual will not be taxed on the excess amount but the earnings on the excess will be included in the individual's assessable income. If the second option is elected then the individual will be taxed on the excess amount and the tax liability must be released from the individual's superannuation fund, unless the value of the individual's superannuation interests is nil.

Other information

Any concessional contributions in excess of the cap will also count towards the individual's non-concessional contributions cap.

Individuals under 65 years old at any time during the financial year are able to bring forward the next two years of contributions. This effectively allows them to contribute up to three times the cap at once. The bring forward provisions are triggered in the first year in which the annual amount is exceeded

Measures announced in the 2016 Federal Budget (Note these measures are yet to go through the parliamentary process and become law):

^ From 1 July 2017, the Government will lower the annual concessional contributions cap to \$25,000 for all individuals. In the meantime the existing concessional caps (\$30,000 for those aged under 50 and \$35,000 for those people aged 50 and over) will apply. The Government will also allow all individuals up to age 75 to claim an income tax deduction for personal superannuation contributions into an eligible superannuation fund. These amounts will count towards the individual's concessional contributions cap and be subject to 15% contributions tax.

Superannuation Key Rates and Thresholds

*Individuals with account balances of \$500,000 or less will be allowed to make additional ('catch-up') concessional contributions. Individuals will be able to access their unused concessional contributions cap on a rolling basis for a period of five years. Amounts carried forward that have not been used after 5 years will expire. Only unused amounts accrued from 1 July 2017 will be available to be carried forward.

** Effective from budget night, the Government will introduce a \$500,000 lifetime cap on non-concessional contributions taking into account all non-concessional contributions made since 1 July 2007. The cap will apply to individuals aged up to 75, and will be indexed in \$50,000 increments in line with wages. The lifetime non-concessional cap will replace the existing annual caps which allow annual non-concessional contributions of up to \$180,000 per year (or \$540,000 every three years for individuals aged under 65). If an individual has exceeded the cap prior to commencement of this measure, they will be taken to have used up their lifetime cap but will not be required to take the excess out of the superannuation system. Contributions made before commencement cannot result in an excess. However, excess contributions made after commencement will need to be removed or be subject to current penalty arrangements.

Superannuation Guarantee Charge

Financial Year	Super guarantee charge percentage
1 July 2013 - 30 June 2014	9.25%
1 July 2014 - 30 June 2015	9.5%
1 July 2015 – 30 June 2021	9.5%
1 July 2021 - 30 June 2022	10%
1 July 2022 - 30 June 2023	10.5%
1 July 2023 - 30 June 2024	11%
1 July 2024 - 30 June 2025	11.5%
1 July 2025 - 30 June 2026 onwards	12%

Note:

- No SGC payable where:
 - Earnings are less than \$450 per month
 - Employees under age 18 years working less than 30 hours per week.
- Effective 1 July 2013, the upper age limit at which superannuation guarantee payments need to be provided for an employee is abolished

Superannuation Guarantee Charge - Maximum contributions base

The maximum super contribution base is used to determine the limit on any individual employee's earnings base for each quarter of any financial year, for which employers are required to make SG contributions.

Income year	Per quarter
2010-11	\$42,220
2011-12	\$43,820
2012-13	\$45,750
2013-14	\$48,040
2014-15	\$49,430
2015-16	\$50,810
2016-17	\$51,620

Superannuation Guarantee Charge – Payment Due Dates

Quarter	Due Date for paying SG Contributions for employees	Due Date for lodging SG statement and paying SG Charge with the ATO
1 July - 30 September	28 October	28 November
1 October - 31 December	28 January	28 February
1 January - 31 March	28 April	28 May
1 April - 30 June	28 July	28 August

Superannuation Government Co- Contribution Thresholds

Year	Maximum Government Co- contribution (MGC)	Matching amount for each \$1 of contribution	Lower Threshold (LIT)	Higher Threshold (HIT)
2011-2012	\$1,000	\$1	\$31,920	\$61,920
2012-2013	\$500	\$0.50	\$31,920	\$46,920
2013-2014	\$500	\$0.50	\$33,516	\$48,516
2014-2015	\$500	\$0.50	\$34,488	\$49,488
2015-2016	\$500	\$0.50	\$35,454	\$50,454
2016-2017	\$500	\$0.50	\$36,021	\$51,021

Superannuation Key Rates and Thresholds

Calculation of Superannuation Government Co-Contribution Amount

Contributor's total income	Maximum government co-contribution (MGC)
\$0 – Low income threshold (Listed above)	MGC (Listed above)
Low income threshold (Listed above) – Higher income threshold (Listed above)	MGC – [(Taxable income* – Low income Threshold) x3.333%]
Higher income threshold (HIT) + 1	\$0

*Taxable income = the sum of the taxpayer's assessable income, reportable fringe benefits total and reportable employer superannuation contributions.

Superannuation Contribution Tax Offset

Receiving Spouse Assessable Income (SAI)	Maximum contributions entitled to tax offset (MC)	Maximum tax offset (18% of the lesser of)
\$0 - \$10,800	\$3,000	MC or Actual contribution
\$10,801 - \$13,799	\$3000- (SAI-\$10,800)	MC or Actual contribution
\$13,800 +	\$0	\$0

Low Income Super Contribution

From 1 July 2012, individuals with taxable income of less than \$37,000 are eligible for a 'low income super contribution(LISC)'. The low income super contribution, paid directly into an individual's super fund, will rebate 15% contributions tax paid by the fund on super contributions. This measure aims to ensure that low income earners pay no tax on super contributions by increasing their superannuation savings by up to \$500.

Further information in relation to this measure can be found on the ATO's publication 'Low income super contribution'.

On 1 September 2014, the [Minerals Resource Rent Tax Repeal and Other Measures Bill 2014](#) (which replaces the previous Minerals Resource Rent Tax Repeal and Other Measures Bill 2013 [No. 2]) was introduced into parliament. The bill proposed to make amendments to discontinue or re-phase several measures intended to be funded by the MRRT including re-phasing the staged increase in the superannuation guarantee (SG) charge percentage to 12% and repealing the low income superannuation contribution from (LISC) 1 July 2013.

The bill received royal assent on 5 September 2014 and is now law therefore while LISC will continue to be payable in respect of concessional contributions made up to and including the 2016-17 year, determinations of LISC will cease at 1 July 2019.

In the 2016 Federal Budget, The Government announced it would reintroduce a Low Income Superannuation tax offset (LISTO). This is a non – refundable tax offset for those with an adjusted taxable income up to \$37,000. Individuals whose income is less than \$37,000 will receive a refund into their superannuation account of the tax paid on their concessional superannuation contributions, up to a cap of \$500. This replaces the Low Income Super Contribution that was due to expire on 30 June 2017.

It would also increase the income threshold for the receiving spouse (whether married or de facto) of the low income spouse tax offset from \$10,800 to \$37,000 from 1 July 2017. The current 18% offset of up to \$540 will be available to any individual contributing to a recipient spouse whose income is up to \$37,000. As is currently the case, the offset will gradually reduce for income above \$37,000 and will completely phase out at income above \$40,000.

Small Business CGT retirement exemption

- A capital gain from the sale of a business asset will be exempt up to a lifetime limit of \$500,000. The \$500,000 limit is reduced by any previous amounts which have chosen to be exempt under the retirement exemption.
- Member must satisfy the basic conditions which apply to all CGT small business concessions for chosen amounts to be exempt under the Small Business CGT retirement exemption.
- For members under 55 years of age, the exempt amount must be paid into a complying superannuation fund or a retirement savings account to obtain the exemption.
- If the member was aged 55 or more just before they elect to use the retirement exemption, they don't have to pay any amount into a complying superannuation fund or RSA, even though they may have been under 55 years when they received the capital proceeds.

Superannuation Key Rates and Thresholds

Benefit Payments

Preservation Age

Year 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
From 1 July 1964	60

Payment Caps – Low Rate, ETP Cap, Untaxed Plan and CGT Cap Amount

Income Year	Low rate cap amount & ETP Cap Amount	Untaxed plan cap & CGT Cap amount
2010-2011	\$160,000	\$1,155,000
2011-2012	\$165,000	\$1,205,000
2012-2013	\$175,000	\$1,255,000
2013-2014	\$180,000	\$1,315,000
2014-2015	\$185,000	\$1,355,000
2015-2016	\$195,000	\$1,395,000
2016-2017	\$195,000	\$1,415,000

Taxation on Lump Sums

Age of recipient	Tax -free Component	Taxable Component – Element Taxed (excluding medicare levy)	Taxable Component – Element Untaxed (excluding medicare levy)
Below Preservation Age	Tax free	Taxable component subject to 20% tax	<ul style="list-style-type: none"> 30% up to untaxed plan cap amount (see above) Top marginal rate above untaxed plan cap amount
Preservation Age to age 60	Tax free	<ul style="list-style-type: none"> 0% up to low rate cap amount (see above) Amount above low rate cap amount subject to 15% tax 	<ul style="list-style-type: none"> 15% up to the low rate cap amount (see above) 30% on amounts above low rate cap amount and up to the untaxed plan cap amount (see above) Top marginal tax rate applies to any amount above the untaxed plan cap amount
Aged 60 and above	Tax free	Tax free (Not assessable, not exempt income)	<ul style="list-style-type: none"> 15% up to untaxed cap amount (see above) per superannuation plan Top marginal rate applies to amounts above untaxed plan cap amount

Superannuation Income Streams

Income Stream – Minimum Payments Percentage Factors

Age	Minimum Percentage For 2009, 2010 and 2011 Financial Years	Minimum Percentage for 2012 and 2013 Financial Years	Minimum Percentage for 2014 Financial year and onwards
Under 65	2%	3%	4%
Age 65 -74	2.5%	3.75%	5%
Age 75 - 79	3%	4.5%	6%
Age 80 - 84	3.5%	5.25%	7%
Age 85 – 89	4.5%	6.75%	9%
Age 90 – 94	5.5%	8.25%	11%
Age 95 or more	7%	10.5%	14%

Note: - No minimum payment is required in first year where pension commenced on or after 1 June.
 - The maximum annual payment for Transition to Retirement Income Streams is 10% of the account balance as at 1 July of the respective year. There is no maximum annual payment for Account Based Pensions

Superannuation Key Rates and Thresholds

Taxation on Income Streams

Age of recipient	Tax-free Component	Taxable Component – Element Taxed	Taxable Component – Element Untaxed
Below Preservation Age	Tax free	<ul style="list-style-type: none"> Taxed at marginal tax rates, with no tax offset Tax offset of 15% is available if a disability super benefit 	Taxed at marginal rates, with no tax offset
Preservation Age to age 60	Tax free	<ul style="list-style-type: none"> Taxed at marginal tax rates Tax offset of 15% of the taxable component is available 	Taxed at marginal rates, with no tax offset
Aged 60 and above	Tax free	Tax free (Not assessable, not exempt income)	Taxed at marginal rates, with a 10% tax offset

Taxation of Superannuation Death Benefit

Payments to dependants

Death Benefit Type	Age of Deceased	Age of recipient	Taxation treatment (Excluding Medicare Levy)
Lump sum	Any age	Any age	Tax free (Not assessable, non exempt income)
Income Stream	Below age 60	Below age 60	Taxable component <ul style="list-style-type: none"> Element taxed in the fund is taxed at dependant's marginal rate but they are entitled to 15% offset. Element untaxed in the fund is taxed at dependant's marginal tax rate
		Above age 60	Taxable component: <ul style="list-style-type: none"> Element taxed in the fund is not assessable, not exempt income Element untaxed in the fund is taxed at dependant's marginal tax rate but they are entitled to a 10% tax offset.
	Aged 60 and Above	Any age	Taxable component: <ul style="list-style-type: none"> Element taxed in the fund is not assessable, not exempt income Element untaxed in the fund is taxed at dependant's marginal tax rate but they are entitled to a 10% tax offset.

Payments to non dependants

Death Benefit Type	Age of Deceased	Age of recipient	Taxation treatment (Excluding Medicare Levy)
Lump sum	Any age	Any age	Taxable component: <ul style="list-style-type: none"> Element taxed in the fund is taxed at 15% Element untaxed in the fund is taxed at 30%
Income Stream	Any age	Any age	<ul style="list-style-type: none"> Benefit cannot be paid as income stream to non dependants Income streams which were commenced before 1 July 2007 are taxed as if received by a dependant (see table above)

Death benefit Termination payment

Component	Taxation treatment (Excluding Medicare Levy)
Tax Free component	Tax free (Not assessable, non exempt income)
Taxable component	Payments to a dependant (all ages): <ul style="list-style-type: none"> Amount up to ETP Cap amount (listed above) is not assessable, non exempt income Amount above the ETP cap amount is taxed at top marginal rate Payment to a non-dependant (all ages): <ul style="list-style-type: none"> Amount up to ETP cap amount is taxed at 30% Amount above the ETP cap amount is taxed at the top marginal rate Payment to trustee of deceased estate : <ul style="list-style-type: none"> Taxed in the hands of the trustee based on whether the beneficiary is dependant or non dependant (see above)