

Resident Marginal Tax Rates

Taxable Income	Tax Payable ¹
0 - \$18,200	Nil
\$18,201 - \$37,000	0 + 19% of excess over \$18,200
\$37,001 - \$90,000	\$3,572 + 32.5% of excess over \$37,000
\$90,001 - \$180,000	\$20,797 + 37% of excess over \$90,000
\$180,001 and over	\$54,097 + 45% of excess over \$180,000

¹ Plus Medicare Levy of 2%

Low Income Tax Offset (LITO)

Thresholds ¹	
Maximum offset	\$445
Shade-out threshold	\$37,000
Cut-out threshold ²	\$66,667
Effective tax free threshold	\$20,542

¹ Thresholds based on taxable income

² Phase-out rate is 1.5¢ for each dollar of income above shade-out threshold

Commonwealth Seniors Health Card (CSHC)

Thresholds	Singles	Couple (combined)
Cut-out threshold ¹	\$54,929 ²	\$87,884 ²

¹ Thresholds based on taxable income + fringe benefits value + net investment losses + target foreign income + reportable super contributions + deemed income from ABP commenced on/after 1 January 2015

² Thresholds indexed each 20 September in line with CPI

Seniors & Pensioners Tax Offset (SAPTO)¹

Thresholds ²	Singles	Couple (each)
Maximum offset	\$2,230	\$1,602
Shade-out threshold	\$32,279	\$28,974
Cut-out threshold ³	\$50,119	\$41,790

¹ Eligible if have met qualifications for age pension or received some age pension in income year, reached pension age & eligible for Veteran's Affairs (VA) benefit or included social security pension payments or certain VA payments in assessable income

² Thresholds based on taxable income + adjusted fringe benefits + net investment losses + reportable employer super contributions + deductible personal super contributions

³ Phase-out rate is 12.5¢ for each dollar of income above shade-out threshold

Low & Middle Income Tax Offset (LAMITO)¹

Taxable Income	Offset
0 - \$37,000	\$255
\$37,001 - \$48,000	\$255 + (7.5% x [Taxable income - \$37,000])
\$48,001 - \$90,000	\$1,080
\$90,001 - \$126,000	\$1,080 - (3% x [Taxable income - \$90,000])
\$126,000 and over	Nil

¹ Paid in addition to Low Income Tax Offset

Age Pension Ages

Date of Birth From	Date of Birth To	Qualifying Age
	31 December 1953	Already qualified
1 January 1954	30 June 1955	66.0
1 July 1955	31 December 1956	66.5
Born on or after 1 January 1957		67.0

SUPERANNUATION FUNDS

Tax Rates on Earnings

Type of Fund		Tax Treatment
Complying	Accumulation phase	15%
	Pension – retirement phase ¹	0%
	Pension – not retirement phase ¹	15%
	Non-arm's length income	45%
Non-complying		45%

¹ Pension is in "retirement phase" if ABP, MLP or TAP, lifetime/life expectancy/flexi defined benefit pension. TRIS also included if recipient aged 65 or over or trustee has received notification that recipient is retired, permanently incapacitated or terminally injured or ill

Insurance Premiums^{1,2}

Type of Cover	Deductible?	Percentage
Term life	Yes	100%
Terminal illness	Yes	100%
TPD – any occupation	Yes	100%
TPD – own occupation	Yes	67%
TPD – own occupation bundled with life	Yes	80%
Trauma ³	No	0%
Income protection	Yes	100%

¹ Insurance policy must be owned by fund for the purpose of providing benefits for insured member

² Policies entered into on or after 1 July 2014 only permitted where policy definition of death, terminal illness or injury, permanent incapacity & temporary incapacity consistent with SIS definition

³ Trauma insurance not permitted on or after 1 July 2014 unless policy entered into prior to that date

LRBA with Related Party Loan^{1,2}

Loan Feature	Real Property	Listed Securities
Interest rate	5.94%	7.94%
Interest rate type	Fixed (max 5 years) or variable	Fixed (max 3 years) or variable
Maximum loan term ³	15 years	7 years
Maximum LVR	70%	50%

¹ To satisfy "safe harbour" rules, principal & interest payments must be made monthly. Loan agreement must be in writing & executed. Must have registered mortgage over property or registered charge/mortgage or similar over listed securities/units

² If trustees do not comply with "safe harbour" rules, must be able to otherwise demonstrate LRBA is on commercial terms

³ Maximum loan term starts from date of original loan used to acquire asset under the LRBA, and includes any refinancing

SUPERANNUATION CONTRIBUTIONS

Contribution Eligibility

Age of Member	Tests for acceptance of contributions by a complying fund ^{1,2}
< 65	No tests apply
65 – 69	Unless contributions are “downsizer” or “work test exempt” contributions, member has been gainfully employed for at least 40 hours in no more than 30 consecutive days prior to and in the same financial year as the contribution
70 – 75 ³	Unless contributions are “downsizer” or “work test exempt” contributions, member has been gainfully employed for at least 40 hours in no more than 30 consecutive days prior to and in the same financial year as the contribution and contributions are made by member or employer
Over 75	Contributions must be “downsizer” contributions

- 1 Other tests may apply to claim tax deduction for contribution
- 2 Mandated contributions (eg award or SG) are always permitted
- 3 Contributions (other than award or SG) must be made within 28 days after the end of the month in which the member turns 75
- 4 A contribution will qualify as a “work test exempt” contribution if the member is not gainfully employed in the 2019/20 financial year but was gainfully employed in the 2018/19 financial year, their total super balance was < \$300,000 at 30 June 2019 and the member has not made a work test exempt contribution in a prior financial year

Tax Rates on Contributions

Type of Contribution	Tax Rate ¹
Non-concessional	Nil ^{2,3}
Concessional	15% ^{4,5}

- 1 Paid by the fund which received the contribution
- 2 Excess contributions released from super not subject to tax but associated earnings amount taxed at marginal rate plus Medicare Levy of 2% less 15% tax offset, levied to member (strict process to be followed)
- 3 Excess contributions not released from super subject to tax of 47%, levied to member but must be paid from super fund
- 4 Excess contributions subject to additional tax at marginal rate plus Medicare Levy of 2% less 15% tax offset plus charges, levied to member
- 5 Where member’s “income” exceeds \$250,000, additional 15% tax is charged on contributions within cap. “Income” = taxable income + certain family trust distributions + reportable fringe benefits + net investment losses + concessional contributions within cap. Called Div 293 tax & levied to member

Concessional Contributions (CC) Cap¹

Type	Member’s TSB ³	Amount of Cap ²
Standard	\$500,000 or over	\$25,000
Using “catch-up” rules	< \$500,000	\$25,000 + “unused CC amount” ⁴

- 1 Concessional contributions generally include employer contributions (including SG & salary sacrifice), personal contributions claimed as a tax deduction & reserve allocations (unless exemption applies). Can also include contributions made on behalf of member by anyone other than member’s spouse or the Government
- 2 Excess amounts may be subject to additional tax (refer “Tax Rates on Contributions”)
- 3 Total super balance (TSB) determined at 30 June 2019
- 4 Member’s CC cap is increased in the 2019/20 financial year by the amount of any CC cap from the prior financial year that was “unused”. “Unused CC amount” = CC cap in the 2018/19 financial year (ie \$25,000) less amount of CC assessed against the CC cap in that year

Non-Concessional Contributions (NCC) Cap¹

Type	Member’s Total Super Balance ²	Amount of Cap ⁵
Standard	< \$1.6m	\$100,000
	\$1.6m or over	Nil
“Bring-forward mode” ³	< \$1.4m	\$300,000 over 3 years ⁴
	\$1.4m to < \$1.5m	\$200,000 over 2 years ⁴
	\$1.5m to < \$1.6m	\$100,000
	\$1.6m and over	Nil

- 1 Non-concessional contributions generally include personal contributions not claimed as a tax deduction, spouse contributions and excess concessional contributions not released from super. Do not include Govt contributions, downsizer contributions, eligible small business CGT contributions within CGT cap or eligible personal injury contributions
- 2 Total super balance determined at 30 June 2019
- 3 Available to members under age 65 at any time in financial year in which “bring-forward mode” is triggered
- 4 If “bring-forward mode” was triggered in the 2017/18 or 2018/19 financial years and some “bring forward period” remains in the 2019/20 financial year, the member will be able to make contributions within their NCC cap of any unused “bring forward amount” in the 2019/20 financial year if their total super balance at 30 June 2019 was < \$1.6m. If total super balance is \$1.6m or more at 30 June 2019, the member’s NCC cap in the 2019/20 financial year will be Nil, despite being mid-way through a “bring forward period”
- 5 Excess amounts may be subject to additional tax (refer “Tax Rates on Contributions”)

Other Caps¹

Type of Cap	Amount of Cap ²
CGT Cap	\$1,515,000 ³
Downsizer Cap	\$300,000 ⁴

- 1 Eligibility tests to be satisfied
- 2 Excess counts towards NCC cap
- 3 Lifetime limit, for contributions made in respect of both small business retirement exemption and small business 15 year exemption. At most \$500,000 (not indexed) of this limit can be utilised by small business retirement exemption
- 4 Lifetime limit

Superannuation Guarantee (SG)

SG System	
SG rate	9.5%
Basis	Ordinary time earnings
Contribution cut-off dates	28 October, 28 January, 28 April, 28 July
Maximum salary base	\$55,270 per quarter
Maximum cut off age	None
Minimum salary	\$450 per month

Spouse Contribution Tax Offset

Spouse’s Total Income ^{2,3,4}	Maximum Tax Offset ^{1,5}
Up to \$37,000	\$540
\$37,001 to \$39,999	Reduced by 18¢ for each dollar of income above \$37,000
\$40,000 and over	Nil

- 1 Member must make contribution for spouse & spouse must not have excess NCC for year
- 2 Spouse’s total super balance must be < \$1.6m at 30 June 2019
- 3 Total income = spouse’s assessable income + reportable fringe benefits + reportable employer super contributions
- 4 Total income & total super balance are not the only eligibility tests to be satisfied
- 5 Spouse contribution tax offset equals 18% of all contrib for spouse to max of \$540

SUPERANNUATION CONTRIBUTIONS (CONT'D)

Spouse Contribution Splitting

Eligibility Test ^{1,2}	Conditions
Eligible contributions	Concessional contributions ³
Maximum splittable amount	Lesser of: <ul style="list-style-type: none"> • 85% of CC for financial year, or • CC cap for financial year
Receiving spouse must be	Under preservation age or between preservation age & age 65 & not retired ⁴

1 These are not the only eligibility tests to be satisfied

2 Application to split must be lodged in the financial year after the CC were made, or in financial year the CC made if splitting spouse's entire benefit is rolled out, transferred or cashed in that year

3 Only CC made in financial year before application to split is made are eligible. Current year CC can only be split in current year if splitting spouse's entire benefit is to be rolled out, transferred or cashed in that year

4 At the time the application to split is made

Government Co-contributions

Member's Total Income ^{2,3,4}	Maximum Government Co-contribution ^{1,5}
Up to \$38,564	\$500
\$38,565 to \$53,563	Reduced by 3.333¢ for each dollar of income over \$38,564
\$53,564 and over	Nil

1 Member must make personal contribution & not claim tax deduction, and must not have excess NCC

2 Member's total super balance must be < \$1.6m at 30 June 2019

3 Total Income = Assessable income + reportable fringe benefits + reportable employer super contributions (but excluding any excess CC included in assessable income) - business related tax deductions

4 Total income & total super balance are not the only eligibility tests to be satisfied

5 Co-contribution will equal 50% of personal contribution to max of \$500

Low Income Super Tax Offset

Member's Total Income ^{2,3}	Maximum Tax Offset ^{1,4}
Up to \$37,000	\$500
\$37,001 and over	Nil

1 Member must make personal deductible contribution or have employer contribution made on their behalf

2 Total income = taxable income + reportable employer super contributions + deductible personal super contributions + adjusted fringe benefits + target foreign income + net investments losses + certain tax free Government pensions – child support payments

3 Total income is not the only eligibility test to be satisfied

4 Low income tax offset is paid to fund and will equal 15% of all concessional contributions to a max of \$500

TRANSFER BALANCE CAP, TRANSFER BALANCE ACCOUNT & TOTAL SUPER BALANCE

Transfer Balance Cap^{1,2}

General Cap	\$1.6m ³
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Transfer Balance Account – Amount Credited^{4,5}

ABP	Total of all lump sums that could be paid from ABP
MLP/TAP or life expectancy pension commenced pre 1 July 2017	Annualised equivalent of first pension payment after calculation date x remaining term ⁶
MLP/TAP commenced on/after 1 July 2017	Total of all lump sums that could be paid from MLP/TAP
Lifetime pension	Annualised equivalent of first pension payment after calculation date x 16
Flexi pension	Annual pension payment payable at calculation date x relevant valuation factor in Sch 1B of ITAR
Excess transfer balance earnings	Amount of excess transfer balance account earnings

1 Cap on total amount of superannuation which can be transferred into 'retirement phase' pensions

2 If balance of transfer balance account exceeds cap, excess plus excess transfer balance earnings amount must be moved back to accumulation phase or withdrawn as lump sum commutation. Excess transfer balance earnings taxed at 15%, levied to member

3 Lifetime limit

4 Other amounts may also be credited in certain circumstances

5 Amounts may also be debited in certain circumstances (eg commutations)

6 Rounded up to next whole number

Total Super Balance^{1,2,3}

Inclusions	Amount Included
Accumulation phase	Amount payable as a lump sum if account voluntarily closed
ABP, MLP, TRIS	Amount payable as a lump sum if account voluntarily closed
Lifetime/life expectancy pension (capped defined benefit pension) or flexi pension	Amount credited to Transfer Balance Account
Defined benefit interest not in pension phase	Amount payable as a lump sum if account voluntarily closed
Excess transfer balance earnings	Amount credited to Transfer Balance Account

Rollovers in transit

Amount in transit

Exclusions

Exclusions	Amount Excluded
Personal injury contribution	Amount of any contributions received

1 Individual's total super balance at a particular time is the sum of each of the "inclusions" above less any "exclusions" above

2 Other amounts may also be included in certain circumstances

SUPERANNUATION BENEFITS PAID TO MEMBERS

Access to Superannuation^{1,2}

Age of Member	Retired ³	Lump Sum	Pension
< Preservation age	n/a	No	No
Preservation age – 64	Yes	Yes	Yes
Preservation age – 64	No	No	Yes, but TRIS only
65+	n/a	Yes	Yes

1 Preserved or restricted non-preserved benefits only. Unrestricted non-preserved benefits may be accessed at any time

2 There are other conditions of release including permanent incapacity, terminal illness or injury & death

3 Retired means reached preservation age and ceased a form of gainful employment with no intention of ever again working for 10+ hours/week OR if age 60+, ceased one gainful employment position after age 60

SUPERANNUATION BENEFITS PAID TO MEMBERS (CONT'D)

Tax Treatment of Superannuation Lump Sums¹

Age of Member	Tax Free Component	Taxable Component
< Preservation age	Tax Free	Up to 20% ²
Preservation age – 59	Tax Free	Up to \$210,000 ³ = nil Over \$210,000 ³ = up to 15% ²
60+	Tax Free	Tax Free

1 Applies to lump sums paid to members (ie not death benefits) from taxed funds only, which are drawn from unrestricted non-preserved money. Note, different rules apply to terminal illness or injury benefits, and lump sums drawn from any money that is not unrestricted non-preserved

2 Plus Medicare Levy of 2%

3 Lifetime limit

Tax Treatment of Superannuation Income Stream Payments^{1,5}

Age of Member	Tax Free Component	Taxable Component
< Preservation age ²	Tax Free	Taxable at MTR ^{3,4}
Preservation age – 59	Tax Free	Taxable at MTR ^{3,4} less 15% tax offset
60+	Tax Free	Tax Free

1 Applies to benefits paid to members (ie not death benefits) from taxed funds only, where income stream met requirements of SIS Regulations

2 Monies would need to be unrestricted non-preserved

3 MTR = Marginal Tax Rate

4 Plus Medicare levy of 2%

5 Where income stream is a capped defined benefit income stream, 50% of any payments drawn in excess of \$100,000 pa "Defined Benefit Income Cap" is included in assessable income & taxed at MTR. Note, amount of excess not adjusted to reflect any tax free component of excess payments drawn, nor is any of the excess "tax free" because pensioner is age 60 or over

Account Based Pension Drawdown %

Age of Member ¹	Minimum Pension % ^{2,3}
< 65	4
65 – 74	5
75 – 79	6
80 – 84	7
85 – 89	9
90 – 94	11
95+	14

1 Based on member's age last birthday at calculation date

2 Applicable for the 2013/14 & later financial years

3 If pension is a TRIS, a 10% pa maximum pension limit (excluding lump sum commutations from unrestricted non-preserved money) also applies until member reaches age 65 or retires or satisfies another condition of release with nil cashing restrictions

Preservation Age

Date of Birth From	Date of Birth To	Preservation Age
Born on or before 30 June 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
Born on or after 1 July 1964		60

SUPERANNUATION BENEFITS PAID ON DEATH

Tax Treatment of Superannuation Lump Sums¹

Beneficiary ²	Tax Free Component	Taxable Component	
		Taxed Element	Untaxed Element
Dependant ³	Tax Free	Tax Free	Tax Free
Non-dependant	Tax Free	Lesser of MTR or 15% ^{5,6}	Lesser of MTR or 30% ^{4,5,6}
Estate for benefit of Dependents ³	Tax Free	Tax Free	Tax Free
Estate for benefit of Non-dependants	Tax Free	Lesser of MTR or 15% ⁶	Lesser of MTR or 30% ^{4,6}

1 Applies to death benefits paid from taxed funds only, made in accordance with SIS Regulations

2 As per tax definition

3 Generally includes legal or de facto current or former spouse, children if <18, persons in interdependency relationship with deceased & dependants per the "ordinary meaning"

4 If deceased age <65, trustee has claimed tax deduction for cost of life cover for deceased & life policy is still in effect, portion of death benefit will consist of untaxed element

5 Plus Medicare Levy of 2%

6 MTR = Marginal Tax Rate

Tax Treatment of Superannuation Income Stream Payments^{1,2}

Age of Member on Death	Age of Pensioner	Tax Treatment of Income Stream Payments	
		Tax Free Component	Taxable Component
60+ ³	n/a	Tax Free	Tax Free
< 60	60+ ³	Tax Free	Tax Free
< 60	< 60	Tax Free	MTR – 15% tax offset ^{4,5}

1 Applies to death benefits paid from taxed funds only, made in accordance with SIS Regulations

2 Death benefits can only be paid in pension form to certain beneficiaries ie at time of deceased's death, their spouse, child (but only if <18, 18-24 & financially dependent on deceased or disabled) or person in interdependency relationship (excluding child of deceased), or dependant per "ordinary meaning" (excluding child of deceased)

3 Where income stream is a capped defined benefit income stream, 50% of any payments drawn in excess of \$100,000 pa "Defined Benefit Income Cap" is included in assessable income & taxed at MTR. Note, amount of excess not adjusted to reflect any tax free component of excess payments drawn, nor is any of the excess "tax free" because deceased was/recipient is age 60 or over

4 MTR = Marginal Tax Rate

5 Plus Medicare Levy of 2%

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