

superannuation changes

CHANGES TO SUPERANNUATION CONTRIBUTIONS FOR THE 2012/13 FINANCIAL YEAR

In the 2012 federal budget, the government announced a change to the concessional contribution rules for the 2012/13 financial year. From 1 July 2012, the annual concessional contribution limit to superannuation is \$25,000 for all individuals regardless of age or super balance.

In the 2011/2012 financial year, the concessional contribution (pre-tax) limit for individuals 50 years of age and over was \$50,000. For more information on contribution limits, please refer to the article *Changes to concessional contributions and private health insurance* at:

www.dixon.com.au/contributions

Individuals considering salary sacrificing an accrued bonus or making salary sacrifice contributions to superannuation should be mindful of this change and consider the types of contributions that count towards the \$25,000 limit.

It's important to remember concessional contributions include:

- employer pre-tax contributions including both superannuation guarantee (SG) and salary sacrificed amounts
- notional taxed contributions – a set contribution amount calculated and reported to the Australian Taxation Office by some defined benefit funds, such as the Revised, New and ESSS Defined Benefit Fund schemes, when a specific level of contributions is not made on a client's behalf
- personal (unsupported) contributions for which the super member is eligible to claim a tax deduction
- any super fund administration fees or insurance premiums paid by an employer.

Any contributions that exceed the concessional contribution limit incur excess tax of 31.5% (in addition to the 15% contributions tax) and are included within the non-concessional contribution limit.

The rules regarding non-concessional (post-tax) contributions to superannuation have not changed for the 2012/13 financial year and remain at \$150,000 per financial year or \$450,000 using the 'averaging provision' to bring forward two years' worth of non-concessional contributions.

Non-concessional contributions include:

- member contributions on an after-tax basis (for example, post-tax contributions to schemes such as the Revised, New and ESSS DBF schemes)
- personal contributions to superannuation for which the super member does not claim a tax deduction
- contributions made by a spouse
- concessional contribution amounts in excess of the concessional contribution cap
- certain amounts transferred from an overseas pension fund that are not subject to tax in the fund.

For more information on changes to super contributions and other aspects of your superannuation, contact one of our expert Financial Advisors on 1300 883 158.

Other useful references include Daryl Dixon's guide 'Superannuation – Essential Information for Victorian Government Employees' and the following websites:

www.ato.gov.au

www.esssuper.com.au

www.vicsuper.com.au

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