Superannuation Funds – 2013/14

Type of Receipt	Rate of Tax %
Complying Superannuation Fund	
Earnings (other than non-arm's length income)	
Income received including realised capital gains	15
Discount capital gains (asset held for 12 months or more)	10
Employer Contributions[1]	
Portion covered by S.295-180 choice	0
SGC shortfall component	15
All other employer contributions (no S.295-180 choice)	15
Employee and Self-employed Contributions	
Portion covered by S.290-170 notice (of intention to claim a deduction)[1]	15
All other employee and self-employed contributions (no S.290-170 notice)	0
Contributions – other person (excluding trustee of exempt life assurance fund or of complying superannuation fund, ADF or PST)	
Portion covered by S.295-180 election	0
Eligible spouse contributions	0
Contributions for minor (not by an employer)	0
Government Co-contributions	0
First Home Saver Account	0
All other contributions (no S.295-180 election)	15
Roll-overs[2]	
Originating from taxable source (e.g., another complying fund)	
– tax-free component	0
– taxable component (taxed element)[1]	0
– taxable component (untaxed element)	15
Non-arm's Length Component	
Unreasonable private company dividends	45
Excessive non-arm's length income	45
Trust income (no fixed entitlement)	45
Trust income (fixed entitlement but excessive non-arm's length income)	45
Transfer from Foreign Superannuation Funds	
– amount specified in a choice under S.305-80	15
Transfer from Superannuation Holding Accounts (SHA) special account	
All	15
Change of Status	
Foreign fund to complying fund	
– market value of assets less member contributions	15
Non-complying Superannuation Fund	
Earnings	
Income received including realised capital gains	45
Discount capital gains (asset held for 12 months or more)	22.5
Contributions (Australian fund)	
Employee and self employed	0
Employer (excluding trustee of exempt life assurance fund, complying superannuation fund, complying ADF or PST)	45

1 From 1 July 2012, subject to certain exceptions, the tax rate on concessional contributions made by, or on behalf of an individual with 'income' greater than $300,000 increased from 15% to 30%. The additional 15% (known as Division 293 tax) is assessed to the individual, who has the option of having the fund pay. If an individual's 'income' (excluding their concessional contributions) is less than $300,000 but the inclusion of their contributions pushes them over this threshold, then the 30% tax rate will only apply to the amount of the contributions that are in excess of $300,000.

For the purposes of this measure, 'income' includes taxable income, concessional contributions (broadly, all employer contributions and personal contributions for which a deduction has been claimed), adjusted fringe benefits, total net investment loss, target foreign income and tax-free government pensions/benefits, less child support. However, reportable superannuation contributions are then excluded to avoid double counting. Importantly, the 30% tax rate will not apply to concessional contributions that exceed the concessional contributions cap.

2 From 1 July 2012, employment termination payments cannot be rolled over into a superannuation fund.

Superannuation Thresholds – 2013/14

Concessional Contributions Caps

Concessional contributions include employer contributions (including contributions made under a salary sacrifice arrangement) and personal contributions claimed as a tax deduction by a self-employed person.

Taxpayer's Age (as at 30 June 2014)	Amount of Cap[1]
60+	$35,000
<60	$25,000

1 From the 2015 income year, those aged 50 or more on 30 June 2015 will also be able to access the $35,000 cap. Those aged under 50 will be entitled to a cap of $30,000 due to the pause placed on indexation ceasing to apply. The higher cap will cease when the general concessional cap reaches $35,000 by way of indexation (expected to be from 1 July 2018).

Non-concessional Contributions Caps

Non-concessional contributions include personal contributions for which taxpayers do not claim an income tax deduction. A person is liable to pay excess contributions tax if their non-concessional contributions exceed the cap[1].

Income Year	Amount of Cap
2013/14	$150,000 or $450,000[2] over 3 years

1 There is a 'bring-forward' option under which taxpayers can contribute greater than $150,000 ($180,000 from 1 July 2014) in an income year as long as the total contributions for that year and the next 2 years do not exceed $450,000 ($540,000 from 1 July 2014). This option only applies to taxpayers who are under 65 at any time in the year that they want to 'bring-forward' their contributions.

2 Note that in the 2014/15 Federal Budget, the government announced its intention to bring the taxation of excess non-concessional contributions in line with the taxation of excess concessional contributions broadly by allowing individuals the option to withdraw excess non-concessional contributions and any associated earnings to be taxed at the individual's marginal tax rate. If enacted as proposed, this change will apply from 1 July 2013 (i.e., the 2014 income year).

Government Co-contribution Table for Low Income Employees

The superannuation co-contribution was initially introduced by the Government from 1 July 2003 as an incentive to encourage low income earners to save for their own retirement.

If an individual's income is eligible for the co-contribution and they make personal superannuation contributions, the Government will match their contribution with a 'co-contribution'.

Income Year	Total Income[1, 2] $	Calculation of Basic Co-contribution $
2013/14	0 – 33,516	$500
	33,517 – 48,515	$500 – [3.333% x (Total Income – $33,516)]
	48,516+	Nil

1 Total Income is calculated as the sum of assessable income, the reportable fringe benefits total and reportable employer superannuation contributions.

2 For the 2015 income year, the maximum entitlement remains at $500, whilst the lower income threshold increases to $34,488 and the higher income threshold increases to $49,488.

Superannuation Spouse Contribution Tax Offset

The tax offset applies to non-concessional contributions made by a taxpayer to a Complying Superannuation Fund or Retirement Savings Account in respect of their low-income earning, or non-working, spouse (married or de facto). The amount of the offset is as follows:

Spouse's Assessable Income (SAI)[1] $	Maximum Rebatable Contributions (MRC) $	Maximum Offset [2] $
0 – 10,800	$3,000	$540
10,801 – 13,799	$3,000 – [SAI – $10,800]	MRC x 18%
13,800+	Nil	Nil

1 Including reportable fringe benefits and reportable employer superannuation contributions.

2 The offset is calculated as 18% of the actual contributions, if this results in a lower amount.

Lump Sum Superannuation Benefits – Low Rate Cap Amount

Since 1 July 2007, the application of the low rate threshold for superannuation lump sum payments has been capped. The low rate cap amount is reduced by any amount previously applied to the low rate threshold.

Income Year	Cap Amount[1]
2013/14	$180,000

1 The 2014/15 cap amount will be $185,000.

Superannuation Guarantee Rate

Employers who provide less than a prescribed level of superannuation support (the 'charge percentage') for their employees are liable to pay a superannuation guarantee charge based on the shortfall plus an interest component and an administration charge.

Income Year	Charge Percentage (%)[1]
2013/14[2]	9.25
2012/13	9

1 In the 2014/15 Federal Budget, the government announced its intention to allow the SG rate to increase from 9.25% to 9.5% from 1 July 2014 as currently legislated (given the *Mineral Resources Rent Tax Repeal and Other Measures Bill 2013*, which proposed to freeze the 2013/14 rate of 9.25% until 1 July 2016 was rejected in the Senate). Under the proposed measure, the SG rate will remain at 9.5% until 30 June 2018 and then increase by 0.5% each year until it reaches 12% in 2022/23 (one year later than previously proposed).

2 From 1 July 2013, the SG age limit no longer applies.