



The Government has recently put into law a number of significant superannuation changes it originally announced in the last Federal Budget. As most of these changes will apply from the 1st of July, 2017, it makes a lot of sense to review these changes to see how these may impact upon you.

Currently:

- The total tax deductible contributions you can make to superannuation is capped at \$30,000 per year (or \$35,000 per year if aged 50) or over. These access a tax rate of 15% per year* compared to your personal tax rate which is likely to be much higher.
- The total after tax contributions you can make is capped at \$180,000 per year and \$540,000 under the 'three year bring forward rule.'



The changes as of 1 July, 2017

- Tax Deductible contributions to superannuation will be capped at \$25,000 a year, regardless of age. These continue to access a tax rate of 15% per year* compared to your own tax rate.
- The total after tax contribution you could make is capped at \$100,000 per year and \$300,000 (for those under 65) under the three year bring forward rule.
- If you have over \$1.6 million as at 30 June of the previous financial year or aged 65 years or over who are no longer working, you may be restricted from making after tax contributions.
- The maximum amount you can invest in the retirement phase will be \$1.6 million. If the balance exceeds this, you will be required to move the excess back to the accumulation phase or withdraw the amount as a lump sum by 1 July 2017. This deadline is extended to 31 December 2017 for excess amounts below \$100,000.
- Transition-to-Retirement pensions may no longer be effective.

What should you do?

We recommend you review your superannuation position with a qualified Financial Planner now. However, please feel free to contact me with any queries on (03) 9088 6420.