

Superannuation Contributions

In the last 24 hours there has been considerable speculation as to measures which may be taken in the forthcoming budget regarding superannuation.

Two may have significant impact.

1. The tax deductible contributions limit may be halved. For those less than 50 the maximum contribution may be cut to \$25,000 and for those 50 and over cut back to \$50,000 from \$50,000 and \$100,000 respectively.
2. The current Transition to Retirement Income Stream eligibility rules may change. Currently anyone who is 55 or older can commence an income stream (pension) from their superannuation fund – this income stream is taxed concessionaly.

Generally changes such as these, if they occur, take effect on budget night ie Tuesday 12 May 2009.

There may need to be actions taken by some taxpayers before 12 May 2009.

For those who have the capacity to make large contributions to superannuation, and need the tax deduction, it may be prudent to make the contribution before Tuesday. If you are unsure whether you need the tax deduction please call or email our office.

If you are 55 or more and believe there is benefit in taking a Transition to Retirement Income Stream it would be appropriate to contact your superannuation fund as soon as possible to start a pension now. Please call or email if you have any queries.

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