

Superannuation SGC Co-contribution Thresholds, March 2012

Increase in the superannuation guarantee

There was a measure first announced in the 2010 Commonwealth Budget, but only recently passed by the House of Representatives. If passed by the Senate, this bill will see the superannuation guarantee rate (ie what your employer contributes to your super account) gradually increase from 9% to 12%.

It is proposed that there be seven incremental increases between 1 July, 2013 and 1 July, 2019, as shown below.

Year Commencing	Increase	Total
1 July 2013	0.25	9.25%
1 July 2014	0.25	9.5%
1 July 2015	0.50	10%
1 July 2016	0.50	10.5%
1 July 2017	0.50	11%
1 July 2018	0.50	11.5%
1 July 2019	0.50	12%

Change to co-contribution matching rate and thresholds

The co-contribution is where the Commonwealth Government matches your personal after-tax contributions (eligibility conditions apply). The maximum co-contribution is currently \$1,000, but it is proposed that from 1 July, 2012 this be reduced to \$500 for people on incomes of up to \$31,920.

Additionally, it is proposed that the upper income limit at which you are still eligible for some contribution be reduced to \$46,920 from its current level of \$61,920.

Concessional contributions cap

Concessional contributions include:

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

Income Year	Amount of Cap
2012-13	\$25,000
2011-12	\$25,000
2010-11	\$25,000
2009-10	\$25,000
2008-09	\$50,000
2007-08	\$50,000

In accordance with section 960-285 of the Income Tax Assessment Act 1997 (ITAA 1997), the concessional contributions cap is indexed in line with average weekly ordinary time earnings (AWOTE), in increments of \$5,000 (rounded down). The new indexed amount is generally available each February.

The government has announced changes that, if passed by parliament, will pause the indexation of the concessional contributions cap at \$25,000 for the 2013-14 year.

Concessional contributions cap for people 50 years old or over

An increased concessional contributions cap applies until 30 June, 2012 for people 50 years old or over:

- If you were 50 years old or over, your annual cap for the 2007-08 and 2008-09 financial years was \$100,000.
- If you were 50 years old or over, your annual cap for the 2009-10, 2010-11 and 2011-12 financial years was \$50,000.

If you have more than one fund, all concessional contributions made to all your funds are added together and count towards the cap. This cap is not indexed.

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