Superannuation Thresholds & Tax Treatments

EFFECTIVE FROM 1 JULY 2023

	BEFORE			AFTER (from 1 July 2023)		
	TAX	**LIMIT**	**OTHER**	**TAX**	**LIMIT**	**OTHER**
CONCESSIONAL (BEFORE-TAX) CONTRIBUTIONS Include: > Compulsory Super Guarantee contributions > Voluntary salary sacrificed contributions > Voluntary personal contributions where a tax deduction is claimed	**15%** **30% if income & super > $250K** **Refund of contributions tax if income <$37,000**	**$27,500 p.a.** for everyone and allowing catch-up contributions of unused caps from the prior 5 years for people with balances less than $500,000 from 1 July 2018.	More people are able to claim a tax deduction for super contributions to eligible super accounts up to the cap. People **aged 67-74** can only make voluntary contributions **if they are working.**	**15%** **30% if income & super > $250K** **Refund of contributions tax if income <$37,000**	**$27,500 p.a.** for everyone and allowing catch-up contributions of unused caps from the prior 5 years for people with balances less than $500,000 from 1 July 2018.	More people are able to claim a tax deduction for super contributions to eligible super accounts up to the cap. People can make voluntary contributions if they are **under age 75.**
NON-CONCESSIONAL (AFTER-TAX) CONTRIBUTIONS Include: > Contributions from take home pay > Inheritances > Spouse contributions > Proceeds from sales of assets; and > Contributions above the concession limit	**After-tax income no tax on contribution to the fund**	**$110,000 p.a.** for people with balances **less than $1.7M**, with 3-year bring forward for people under 75	**$1.65 M** additional CGT cap for eligible small business owners. Tax offset for spouse contributions where spouse income is less than $40,000. People can only make non-concessional contributions to their spouse if their spouse is **less than 67 or 67-70 and working.**	**After-tax income no tax on contribution to the fund**	**$110,000 p.a.** for people with balances **less than $1.9M**, with 3-year bring forward for people under 75	**$1.65 M** additional CGT cap for eligible small business owners. Tax offset for spouse contributions where spouse income is less than $40,000. People can only make non-concessional contributions to their spouse if their spouse is **less than age 75**
> Downsizer Contributions -Contributions from sale of former family home	**After-tax income no tax on contribution to the fund**	Up to $300,000 once off Must be **age 60 or older**	Contribution must be made within 28 Days of settlement Does not count towards Lifetime Benefit Cap Must have been owned for at least 10 years Must have been your principal place of residence	**After-tax income no tax on contribution to the fund**	Up to $300,000 once off Must be **age 55 or older**	Contribution must be made within 28 Days of settlement Does not count towards Lifetime Benefit Cap Must have been owned for at least 10 years Must have been your principal place of residence
EARNINGS TAX ON ACCUMULATION ACCOUNTS	**15%** **(10% on capital gains)**			**15%** **(10% on capital gains)**		
EARNINGS TAX ON RETIREMENT PHASE ACCOUNTS	TAX FREE	**$1.7 M** General transfer balance limit. Excess balances can be held in an accumulation account. Retirees who have a Transfer Balance account will have their transfer balance cap indexed by the portion of their unused balance cap.	People who have reached preservation age but are under 65 and not retired can still access a transitional super income stream (TRIS) but earnings on the amount supporting it will be taxed at 15%. Innovative new retirement income stream products will become eligible for the earnings tax exemption.	TAX FREE	**$1.9 M** General transfer balance limit. Excess balances can be held in an accumulation account. Retirees who have a Transfer Balance account will have their transfer balance cap indexed by the portion of their unused balance cap.	People who have reached preservation age but are under 65 and not retired can still access a transitional super income stream (TRIS) but earnings on the amount supporting it will be taxed at 15%. Innovative new retirement income stream products will become eligible for the earnings tax exemption.
PENSION PAYMENTS FROM RETIREMENT PHASE ACCOUNTS	TAX FREE	Minimum draw down requirements for retirement account-based pensions.	People will no longer be able to treat super income streams (including TRIS) as lump sum payments to reduce their tax.	TAX FREE	Minimum draw down requirements for retirement account-based pensions.	People will no longer be able to treat super income streams (including TRIS) as lump sum payments to reduce their tax.

Correct at 23 February 2023