

Superannuation Contribution Caps & Key Changes effective from 01 July 2017

1. Superannuation contribution caps for the financial years 2017 and 2018

Concessional contributions cap

Financial Year ended	Under 49 Aged 48 years or younger on 30 June of previous financial year	49 years and over Aged 49 years or older on 30 June of previous financial year
30 June 2018 and onwards	\$25,000	\$25,000
30 June 2017	\$30,000	\$35,000

Non-concessional contributions cap

Financial Year ended	Total superannuation balance on 30 June 2017	
	Less than \$1.6 million	\$1.6 million or more
30 June 2018	\$100,000	Nil
30 June 2017	\$180,000	\$180,000

2017 and 2018 bring-forward rules

Financial Year ended		Total superannuation balance on 30 June 2017			
		Less than \$1.4 million	\$1.4 million - less than \$1.5 million	\$1.5 million - less than \$1.6 million	\$1.6 million or more
30 June 2018	Maximum non-concessional contributions cap for the first year	\$300,000	\$200,000	\$100,000	Nil
	Bring-forward period	3 years	2 years	N/A	N/A
30 June 2017	Maximum non-concessional contributions cap for the first year	\$540,000	\$540,000	\$540,000	\$540,000
	Bring-forward period	3 years	3 years	3 years	3 years



Modification of the bring forward rule – transitional

If you have triggered the bring-forward period in 2015–16 or 2016–17 but you have not fully used your bring-forward amount before 1 July 2017, transitional arrangements will apply. This means that the maximum amount of bring-forward available will reflect the reduced annual contribution caps

Year bring-forward period started	Maximum bring-forward amount in 2017–18
2017-18	\$300,000
2016-17	\$380,000
2015-16	\$460,000

2. Key changes about superannuation effective from 01 July 2017

- Annual concessional contribution caps reduced to \$25,000 for all members regardless of age.
- Annual non concessional contribution caps reduced to \$100,000 for all members with a restriction for members with a balance exceeding \$1.6 million.
- Removal of tax free treatment of transition to retirement pension assets. Earnings from investments held in a Transition to Retirement Income Stream (TRIS) will no longer be exempt and will be taxed at 15% regardless of the date the TRIS commenced. Members will also no longer be able to treat super income stream payments as lump sums for taxation purposes.
- Cap on the amount an individual can transfer into the tax-free retirement phase of \$1.6 million and will be indexed in line with the consumer price index (CPI), rounded down to the nearest \$100,000.
- Reduction in the threshold at which high income earners pay additional contributions tax (from \$300,000 to \$250,000).
- Removal of the 10% rule allowing all tax payers under the age of 75 to claim a tax deduction for their additional concessional contributions made. There is less need to do salary sacrifice to superannuation post 1st July 2017.

If you would like to discuss above or need more information, please call us on 02 8188 3450. For any financial planning advice, please contact:

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