

19 March 2014

2014 / 2015 Key Superannuation Rates & Thresholds

The ATO has released the superannuation contribution caps and other limits that will apply from 1 July 2014 for next financial year ending on 30 June 2015.

Superannuation Contributions

Concessional (tax deductible) contributions

Financial Year	Age 60 & Over	Age 50 to 59	Under age 50
2013/2014	\$35,000	\$25,000	\$25,000
2014/2015	\$35,000	\$35,000	\$30,000

Your concessional contribution cap is the amount that your employer can contribute to superannuation on your behalf, including the 9.25% compulsory Superannuation Guarantee. This cap also applies to self employed persons or those otherwise entitled to a personal tax deduction for super contributions.

2013/2014

If you were at least age 59 on 30 June 2013, your cap is increased for the year ending on 30 June 2014 from \$25,000 to \$35,000. For all others it is \$25,000.

2014/2015

If you will be at least age 49 on 30 June 2014, your cap will be \$35,000 for the year ending 30 June 2015. For all others the concessional cap will increase from \$25,000 to \$30,000 for 2014/2015.

Non-concessional (undeducted) contributions

2013/2014

Non-concessional (undeducted) superannuation contributions are capped at \$150,000.00 per person per year. These are personal superannuation contributions for which no tax deduction is claimed. Non-concessional contributions are not subject to income tax when contributed to a fund, or when withdrawn from a fund.

A "bring forward" rule exists for those under age 65. Non-concessional contributions can be accelerated by contributing up to three times your annual cap limit i.e. \$450,000.00 (3 x \$150,000.00) in one financial year, but then nothing for the next two financial years.

2014/2015

From 1 July 2014, your non-concessional contribution cap will increase from \$150,000 p.a. to \$180,000 p.a.

If you are under age 65, using the 3 year "bring forward" rule, you will be able to contribute up to \$540,000.00 (3 x \$180,000.00).

Government Co-Contribution

Where you make an eligible non-deductible contribution to a superannuation fund, the Government will pay a maximum matching contribution of up to \$500 to your fund.

For 2013/2014 to be eligible for a full co-contribution, your personal income must be less than \$33,516.

For 2014/2015 this limit is increased to \$34,488.

Superannuation Guarantee

Contribution rate

The current compulsory contribution rate of 9.25% (up from 9%) applied from 1 July 2013 for the 2013/2014 financial year.

An increase to 9.5% was scheduled to take effect from 1 July 2014 however the Government has introduced a bill into Parliament to freeze the contribution rate at 9.25% for the next two financial years. This amendment bill forms part of the Carbon Tax reforms, currently held up in the Senate.

Maximum Contribution Base

Employers are only required to pay 9.25% compulsory Superannuation Guarantee (SG) contributions on a maximum earnings level. Where ordinary time earnings exceeds this level, SG must only be paid on the maximum.

The maximum contribution base for 2014/2015 will be \$49,430 per quarter from 1 July 2014 (equivalent annual salary \$197,720)

The current maximum contribution base for 2013/2014 is \$48,040 per quarter (equivalent annual salary \$192,160)

Superannuation lump sums

Superannuation lump sums are tax free if you are aged 60 or more. Under age 60, you have a lifetime lump sum "low rate cap" available to treat a superannuation lump sum payment tax free, while the remainder is taxable.

The superannuation lump sum low rate cap is currently \$180,000 and from 1 July 2014 it will increase to \$185,000.

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Bonafide redundancy

The tax free amount of a bonafide redundancy payment is currently calculated as a base amount of \$9,246 plus \$4,624 for each completed (not partial) year of service.

From 1 July 2014 for 2014/2015, the base amount increases to \$9,514 plus \$4,758 for each completed year of service

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