Asgard

Superannuation rates and thresholds

Fact Sheet

1 July 2022

Contributions to Super

Low income superannuation tax offset

Members may be eligible for a low income superannuation tax offset (**LISTO**) if their adjusted taxable income in a financial year is less than $37,000 and at least 10% of their total income was sourced from employment or business activity. The amount of the LISTO payable is calculated as 15% of the total concessional contributions made by or on behalf of the member for the financial year, up to a maximum of $500. The amount will automatically be paid into the super accounts of eligible individuals following lodgement of their tax return for the financial year.

Government Co-contributions

The table below details the upper and lower income thresholds to be eligible to receive the Government Co-contribution in the 2022/23 financial year.

Feature	2022/23
Maximum income for full Co-contribution	$42,016
Maximum Co-contribution	$500
Maximum Income for partial Co-contribution	$57,016
Maximum matching rate	50 cents for each $1 contributed

Super Guarantee ('SG')

10.5% of employees' 'ordinary time earnings' (up to $60,220 per quarter for 2022/23) is payable to a complying super fund. $60,220 per quarter equates to a maximum SG entitlement of $25,292.40 per annum.

SG quarter	Cut-off date for SG contribution	Due date for lodgement of a SG statement if not made by cut off date
1 July – 30 September	28 October	28 November
1 October – 31 December	28 January	28 February
1 January – 31 March	28 April	28 May
1 April – 30 June	28 July	28 August

Increasing Superannuation Guarantee

The SG rate will be 10.5% until 30 June 2023. The SG rate will increase thereafter by 0.5% each financial year until it reaches 12% at 1 July 2025, as illustrated in the table below.

Financial year	SG rate (%)
2022-23	10.5
2023-24	11.0
2024-25	11.5
2025-26 onwards	12.0

Employers are required to make SG contributions for all eligible employees regardless of the employee's age.

Contribution caps

Contributions caps — 2021/22

Concessional contributions ('CC') cap	Non-concessional contributions ('NCCC') cap	Capital gains tax ('CGT') cap
$27,500[1]	$110,000 per person, per financial year or $330,000 over 3 years if under 74 on 1 July of the financial year (subject to total super balance on 30 June prior).[2]	$1,650,000[3] lifetime limit. The following contributions are allowed under this cap: – up to $500,000 of capital gains where the small business retirement exemption has been claimed (lifetime limit and not indexed) – capital proceeds from the disposal of small business assets that are exempt from CGT under the small business 15-year exemption.

1 Since 1 July 2019, members with a total super balance less than $500,000 at the end of the previous financial year will be allowed to make additional concessional contributions by utilising unused cap amounts from the previous 5 years, but no earlier than from 2018/19.
2 Non-concessional contributions cannot be made if the total super balance on 30 June of the previous financial year was $1.7m or more. A reduced bring forward applies to those with a total super balance between $1.48m and $1.59m.
3 Indexed to Average Weekly Ordinary Time Earnings ('**AWOTE**') in $5,000 increments (rounded down).

There are no caps on amounts contributed from certain payments for personal injury.

How Super is taxed

Tax on Contributions

Contributions tax

Some, but not all contributions have tax applied to them. Tax on contributions is generally deducted at a rate of 15% (provided you have supplied your Tax File Number ('**TFN**')).

The following contributions are subject to contributions tax	The following contributions are NOT subject to contributions tax
– employer contributions, including SG, Award, salary sacrifice and voluntary employer contributions – personal contributions for which you claim a personal tax deduction, and – untaxed amounts of super benefits rolled over from untaxed super funds (usually public sector funds)	– personal after-tax contributions for which no tax deduction is claimed – spouse contributions – rollovers, except where the rollover contains an untaxed element – Government Co-contributions – Low Income Superannuation Tax Offset – contributions arising from certain personal injury payments – contributions made from certain amounts arising from the disposal of qualifying small business assets within the CGT cap ($1,650,000 in 2022/23)

No TFN Contributions Tax

If you do not supply us with your TFN, we are required under law to either reject your contribution or deduct additional tax of 32% from it.

Additional 15% contributions tax (known as division 293 tax)

An additional 15% tax applies on concessional contributions (up to the concessional contributions cap) for individuals with income greater than $250,000. The definition of 'income' includes concessional contributions.

Excess contributions tax

While you can contribute as much as you like*, you may incur additional tax if your contributions exceed either or both your contribution caps. If you exceed the contribution caps additional tax applies to the excess amount as follows:

Type of contribution	Applicable tax
Excess concessional contributions	Taxed at your marginal tax rate, less a 15% offset for the tax already paid by the fund. Excess concessional contributions not released from super also count against your non-concessional contributions cap and if they exceed this cap, may attract additional tax (see next).
Excess non-concessional contributions	– Excess non-concessional contributions which are not released from super attract tax of 47%. – Notional earnings on excess non-concessional contributions which are released from super are taxed at your marginal rate, less a 15% offset for the tax already paid by the fund (the excess non-concessional contributions released are not subject to tax).

In certain circumstances you may be able to lodge an election(s) with the Australian Taxation Office ('**ATO**') to have your excess concessional and/or excess non- concessional contributions (and notional earnings on these) released from super.

The tax consequences will be different depending on whether you leave your excess contributions in super, or you elect to have these released from super. Before making a choice, we suggest you obtain professional advice based on your own circumstances. For further information on the release of excess contributions, please see ato.gov.au.

* As long as you do not exceed your fund cap

Tax on benefits

The following tables illustrate the tax payable on the taxable component only; the tax free component is always tax free. The rates in the tables include Medicare Levy.

Superannuation member benefits — taxed element in the fund

Age	Superannuation lump sum	Superannuation income stream
Below preservation age	22%	MTR no pension offset
Preservation age to age 59	First $230,000 (up to the Low Rate Cap) at 0%. Excess at 17%	MTR with 15% pension offset
Aged 60 and above	Tax free	Tax free

Superannuation member benefits — untaxed element in the fund

Age	Superannuation lump sum	Superannuation income stream
Below preservation age	First $1.65 million at 32% Excess 47%	MTR no pension offset
Preservation age to age 59	First $230,000 at 17% $230,000-$1.65 million at 32% Excess at 47%	MTR no pension offset
Aged 60 and above	First $1.65 million at 17% Excess at 47%	MTR with 10% pension offset

Low rate cap

The low rate cap is a limit set on the amount of the taxable component of a super lump sum benefit that you can receive tax-free. This cap is $230,000 for the 2022/23 financial year (indexed in subsequent years).

Pensions

Minimum Pension payments for account based/ allocated pensions

The Government has temporarily reduced the minimum annual payment by 50% for the 2019/20, 2020/21, 2021/22 and 2022/2023 financial years. The below table illustrates the reduced pension factors and the standard minimum pension factors that normally apply.

Age	Percentage of account balance	Reduced rates for 2019/20 – 2022/23 financial years
Under 65	4.0%	2.0%
65–74	5.0%	2.5%
75–79	6.0%	3.0%
80–84	7.0%	3.5%
85–89	9.0%	4.5%
90–94	11.0%*	5.5%
95 or more	14.0%*	7.0%

Your minimum and maximum payments will be advised by your fund annually.

For details of any further developments regarding these changes, please speak to your financial adviser or contact us. Additionally you may refer to www.ato.gov.au/ individuals/super.

Accessing your super

What are the preservation rules and when can you access your super?

Super is designed so that you can access it when you retire or meet another condition of release. In return for tax concessions, the Government has placed restrictions on when you can access your super benefits. These restrictions are known as the preservation rules.

Generally, you can access your super when[1]:

- you turn 65[1],
- you retire from work and reach your preservation age[1], or
- you reach your preservation age and wish to commence a transition to retirement account[1].

Your preservation age, determined by the Government, is 60, unless you were born in 1964 or earlier, as outlined in the table below:

Date of birth	Preservation age
Before 1 July 1960	55
1 July 1960 – 30 June 1961	56
1 July 1961 – 30 June 1962	57
1 July 1962 – 30 June 1963	58
1 July 1963 – 30 June 1964	59
After 30 June 1964	60

If you have reached your preservation age and you're younger than 60, you'll be classified as retired if you leave an employment arrangement and do not intend to become gainfully employed again for 10 hours or more per week[1].

1 These conditions of release are not available if you are a current or former holder of a temporary visa, unless you are a permanent resident of Australia, or citizen of Australia or New Zealand

After turning 60, if you leave an employment arrangement, you'll be able to access your super benefits, even if you decide to go back to work[1].

Other conditions of release

You are experiencing financial hardship[1]

If you're having difficulty meeting reasonable and immediate family living expenses and you are receiving Commonwealth income support payments, you may qualify for the early release of your super. To find out about the requirements and apply to have your super released you'll need to download the Financial Hardship Benefit Release form from within internet banking.

Compassionate grounds[1]

You can apply for the early release of your super on compassionate grounds to the Australian Tax Office (**ATO**). The ATO may approve the release of your super to cover expenses related to a serious medical condition or to prevent the forced sale of your home by your mortgagee. To find out more and to apply for the early release of your super you'll need to download the Compassionate Grounds form from within internet banking.

Permanent incapacity

Your super may be released early if you become permanently incapacitated. Permanent incapacity means ill-health (whether physical or mental) is making you unable to engage in gainful employment for which you are reasonably qualified by education, training or experience.

Terminal Medical Condition

You may be viewed as suffering from a terminal medical condition if two registered medical practitioners certify that you suffer from an illness, or have incurred an injury that is likely to result in your death within a period of 24 months (the certification period). One of these certifying practitioners must be a specialist practicing in an area related to your injury or illness.

For further information, please visit ato.gov.au.

Release of benefits upon death

Your nominated beneficiaries may access your benefits in the event of your death.

Departing Australia Superannuation Payment ('DASP')

To qualify for a DASP, you need to have worked in Australia while visiting on an eligible temporary resident visa. Your super can be paid to you once you leave Australia and your temporary resident visa has expired or been cancelled.

You can find more information, including eligibility criteria, and claim a DASP on the ATO website at ato.gov.au/ individuals/super.

Trans-Tasman portability

If you have permanently emigrated to New Zealand, you maybe eligible to transfer our superannuation to a KiwiSaver account under the Trans-Tasman portability scheme. Please note, we are currently unable to accept transfers from KiwiSaver accounts.

1 These conditions of release are not available if you are a current or former holder of a temporary visa, unless you are a permanent resident of Australia, or citizen of Australia or New Zealand

For more information

asgard.com.au

1800 998 185

PO Box 7490, Cloisters Square, WA 6850

Asgard