

June 2017

Superannuation Thresholds

For 2017/18 Financial Year

Concessional Contributions

Deduction limits are as follows:

- All individuals* \$25,000 per annum per person (indexed)

* Individuals over age 65 must meet a 40hr over 30 consecutive day work test first

The \$25,000 pa threshold will increase in increments of \$2,500 based on AWOTE.

- Div 293 tax: Adjusted Taxable Income[#] over \$250,000 from 1 July 2017

Additional 15% contributions tax on concessional contributions over \$250,000

#Concessional contributions are added back to calculate ATI

Non-Concessional Contributions

- Up to age 65 \$100,000 per annum per person**; or
Up to \$300,000 averaged over 3 years**
- Age 65 up to age 75* \$100,000 per annum per person**

The non-concessional contribution cap is '4 times' the concessional contribution cap. Indexation will occur in line with the concessional contribution cap.

* Individuals over age 65 must meet a 40hr over 30 consecutive day work test first.

** Ability to make non-concessional contributions will depend on the member's total superannuation balance as at 30 June each financial year. If balance exceeds \$1.6 million the member will be unable to make any non-concessional contributions in the next financial year. The \$1.6m cap will increase in increments of \$100,000 based on AWOTE.

Low Rate Cap Amount

The Low Rate Cap Amount for superannuation lump sum cash payments paid on or after 1 July 2017 (excluding employer ETPs) will be:

- \$200,000

Untaxed Plan Cap Amount

The untaxed plan cap amount applies to each superannuation plan from which a person receives superannuation lump sum member benefits.

- \$1.445 million

Tax-free amounts of genuine redundancy and early retirement scheme payments.

The tax-free amounts of a genuine redundancy payment or an early retirement scheme payment are:

- \$10,155 plus
- \$5,078 for each complete year of service .

Analyst

Terri Loy

terri.loy@morgans.com.au

www.morgans.com.au

Important disclosures can be found in the Disclosure Appendix

Morgans and CIMB – Please visit www.morgans.com.au to understand the products and services within our alliance

Super Co-Contribution

Individuals must make a personal, non-concessional contribution into their Superannuation fund to register for the Co-contribution scheme. Eligibility based on assessable income (plus reportable fringe benefits), and age*.

- Income threshold for full \$500 govt. co-contribution \$36,813 pa
- Maximum income threshold (when payment cuts out) \$51,813 pa
(Payments reduce by 3.33 cents for each additional \$1 over \$36,813 pa.)

Must be less than 71 years old at the end of the Financial Year to be eligible.

Super Guarantee Maximum Contribution Base and SGC Rate

- Per Quarter \$52,760
- Per Annum \$211,040

Employers are only obliged to pay the super guarantee rate up to this maximum earnings base for each employee. Support is not required for the part of earnings above this limit.

The age limit for SGC eligibility was abolished from 1 July 2013.

The SGC remains at 9.5% for the 17/18fy.

CGT Cap Amount

The CGT cap applies to all excluded CGT contributions and is a lifetime, indexed amount. Excluded CGT contributions do not count towards the non-concessional contribution cap.

- Lifetime Limit \$1.445 million

Limit applies where eligible small businesses qualify for small business CGT concessions

Life / Death Benefit Employment Termination Payments

The Lower Cap amount for life / death benefit termination payments is:

- \$200,000 (not to be confused with the 'Whole of Income Cap' - see below)

The amount up to the ETP cap will be concessionally taxed. The amount in excess of the ETP cap will be taxed as per the following table.

Taxpayer's age	Tax Treatment
Under preservation age on the last day of the income year in which the payment is made.	Up to a maximum of \$200,000: taxed at 30% + M/L; and
	Amount over \$200,000: taxed at marginal tax rates + M/L.
Over preservation age on the last day of the income year in which the payment is made.	Up to a maximum of \$200,000: taxed at 15% + M/L; and
	Amount over \$200,000: taxed at marginal tax rates + M/L.

From 1 July 2012 the ETP tax concessions will not apply if total annual taxable income exceeds \$180,000 (Whole of Income Cap) where the ETP payment is from a non-genuine redundancy payment eg golden handshake. The amount of the ETP not eligible for the ETP tax offset will be taxed at the rate of 47%. The WOI cap is not indexed.

Minimum Factors for Pensions & Annuities

The minimum pension factors for the 2017/18 financial year are:

Age	Minimum Payment - % of Account Balance	Age	Minimum Payment - % of Account Balance
Under 65 years	4%	85 - 89 years	9%
65 - 74 years	5%	90 - 94 years	11%
75 - 79 years	6%	Over 95 years	14%
80 - 84 years	7%		

Preservation Age

The following table outlines the preservation age (SIS reg 6.01(2)) for individuals depending on when the individual was born.

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

Queensland

Brisbane	+61 7 3334 4888
Stockbroking, Corporate Advice, Wealth Management	
Brisbane: Edward St	+61 7 3121 5677
Brisbane: Tynan Partners	+61 7 3152 0600
Bundaberg	+61 7 4153 1050
Cairns	+61 7 4222 0555
Caloundra	+61 7 5491 5422
Gladstone	+61 7 4972 8000
Gold Coast	+61 7 5581 5777
Ipswich/Springfield	+61 7 3202 3995
Kedron	+61 7 3350 9000
Mackay	+61 7 4957 3033
Milton	+61 7 3114 8600
North Quay	+61 7 3245 5466
Noosa	+61 7 5449 9511
Redcliffe	+61 7 3897 3999
Rockhampton	+61 7 4922 5855
Spring Hill	+61 7 3833 9333
Sunshine Coast	+61 7 5479 2757
Toowoomba	+61 7 4639 1277
Townsville	+61 7 4725 5787

New South Wales

Sydney	+61 2 9043 7940
Stockbroking, Corporate Advice, Wealth Management	
Armidale	+61 2 6770 3300
Ballina	+61 2 6686 4144
Balmain	+61 2 8755 3333
Bowral	+61 2 4851 5555
Chatswood	+61 2 8116 1700
Coffs Harbour	+61 2 6651 5700
Gosford	+61 2 4325 0884
Hurstville	+61 2 9570 5755
Merimbula	+61 2 6495 2869
Neutral Bay	+61 2 8969 7500
Newcastle	+61 2 4926 4044
Newport	+61 2 9998 4200
Orange	+61 2 6361 9166
Port Macquarie	+61 2 6583 1735
Scone	+61 2 6544 3144
Sydney: Level 7 Currency House	+61 2 8216 5111
Sydney: Grosvenor Place	+61 2 8215 5000
Sydney: Reynolds Equities	+61 2 9373 4452
Wollongong	+61 2 4227 3022

Victoria

Melbourne	+61 3 9947 4111
Stockbroking, Corporate Advice, Wealth Management	
Brighton	+61 3 9519 3555
Camberwell	+61 3 9813 2945
Domain	+61 3 9066 3200
Geelong	+61 3 5222 5128
Richmond	+61 3 9916 4000
South Yarra	+61 3 8762 1400
Southbank	+61 3 9037 9444
Traralgon	+61 3 5176 6055
Warmambool	+61 3 5559 1500

Australian Capital Territory

Canberra	+61 2 6232 4999
----------	-----------------

Northern Territory

Darwin	+61 8 8981 9555
--------	-----------------

Tasmania

Hobart	+61 3 6236 9000
--------	-----------------

Western Australia

West Perth	+61 8 6160 8700
Stockbroking, Corporate Advice, Wealth Management	
Perth	+61 8 6462 1999

South Australia

Adelaide	+61 8 8464 5000
Norwood	+61 8 8461 2800

Disclaimer

The information contained in this report is provided to you by Morgans Financial Limited as general advice only, and is made without consideration of an individual's relevant personal circumstances. Morgans Financial Limited ABN 49 010 669 726, its related bodies corporate, directors and officers, employees, authorised representatives and agents ("Morgans") do not accept any liability for any loss or damage arising from or in connection with any action taken or not taken on the basis of information contained in this report, or for any errors or omissions contained within. It is recommended that any persons who wish to act upon this report consult with their Morgans investment adviser before doing so. Those acting upon such information without advice do so entirely at their own risk.

This report was prepared as private communication to clients of Morgans and is not intended for public circulation, publication or for use by any third party. The contents of this report may not be reproduced in whole or in part without the prior written consent of Morgans. While this report is based on information from sources which Morgans believes are reliable, its accuracy and completeness cannot be guaranteed. Any opinions expressed reflect Morgans judgement at this date and are subject to change. Morgans is under no obligation to provide revised assessments in the event of changed circumstances. This report does not constitute an offer or invitation to purchase any securities and should not be relied upon in connection with any contract or commitment whatsoever.

Disclosure of interest

Morgans may from time to time hold an interest in any security referred to in this report and may, as principal or agent, sell such interests. Morgans may previously have acted as manager or co-manager of a public offering of any such securities. Morgans affiliates may provide or have provided banking services or corporate finance to the companies referred to in the report. The knowledge of affiliates concerning such services may not be reflected in this report. Morgans advises that it may earn brokerage, commissions, fees or other benefits and advantages, direct or indirect, in connection with the making of a recommendation or a dealing by a client in these securities. Some or all of Morgans Authorised Representatives may be remunerated wholly or partly by way of commission.

Regulatory disclosures

Complete as necessary.

Recommendation structure

For a full explanation of the recommendation structure, refer to our website at https://www.morgans.com.au/research_disclaimer.

Research team

For analyst qualifications and experience, refer to our website at <https://www.morgans.com.au/research-and-markets/our-research-team>.

Stocks under coverage

For a full list of stocks under coverage, refer to our website at <http://www.morgans.com.au/research-and-markets/company-analysis/ASX100-Companies-under-coverage> and <http://www.morgans.com.au/research-and-markets/company-analysis/EX-100-Companies-under-coverage>.

www.morgans.com.au

If you no longer wish to receive Morgans publications please contact your local Morgans branch or write to GPO Box 202 Brisbane QLD 4001 and include your account details.