

# Super caps, rates and thresholds

This factsheet provides you with information on superannuation related caps, rates, thresholds and other important information for the 2019/20 financial year.

SUPERANNUATION CAPS AND THRESHOLDS	
Cap/Rate/Threshold	2019/20
Concessional contribution cap (CCCap) for super guarantee, salary sacrifice, employer other, and personal deductible contributions	<p>\$25,000<sup>1</sup></p> <p>From 1 July 2018, eligible members with less than \$500,000 in Super will be able to carry forward, and use on a rolling basis for up to five years, any or all unused CCCaps. The use of the carry-forward commenced on 1 July 2019.</p> <p>Members over 65 must meet 'work test' rules which are explained on page 3.</p>
Excess concessional contributions	<p>Generally charged at your individual marginal tax rate on the excess contribution, less a 15% tax offset for tax already paid in the Fund and an interest charge.</p> <p>Some or all of the excess can be withdrawn from Super. If not withdrawn, excess is also counted to your non-concessional contributions cap.</p>
<p>Since 1 July 2017, non-concessional contribution cap (NCCCap) per annum – non-deductible super contributions</p> <p>Three year bring forward arrangement available if you are under age 65 for one day during the triggering year (first year)</p>	<p>\$100,000<sup>1</sup></p> <p>If your total super balance is \$1.6m or more, the NCCCap is nil.</p> <p>Bring forward - Up to \$300,000<sup>1</sup> in a single year for up to a three-year period. Bring forward is limited when total super balance is close to cap (\$1.4m to \$1.6m).</p> <p>Total super balance, bring forward and general transfer cap rules apply.</p>
Non-concessional contribution tax (NCC) within contributions cap limits	Nil tax applies.
Excess non-concessional contribution tax	You can choose to withdraw excess contributions and earnings. Earnings are then included in your next income tax return, and taxed at your marginal tax rate. If earnings are not withdrawn, the excess is taxed at the highest marginal tax rate plus applicable levies.
Lifetime capital gains tax (CGT) cap	<p>Certain proceeds from the disposal of eligible small business assets can be contributed to super. Subject to a lifetime cap of \$1,515,000<sup>1</sup> in the 2018/2019 financial year.</p> <p>Special rules apply. Refer to the ato.gov.au website.</p>

CONTRIBUTING TO SUPERANNUATION	
Claiming a tax deduction for personal contributions (ATO notice of intent to claim or vary a deduction for personal super contributions)	A tax deduction can be claimed for personal contributions (not salary sacrifice) if you are under age 65, or aged 65 to 74 inclusive <sup>2</sup> and meet the work test or the work test applies in the financial year in which you make the contribution. Before you claim a deduction, you must meet the eligibility criteria, give the Fund the Notice of Intent, and receive an acknowledgement from the Fund that your Notice of Intent is valid. Special rules apply to lodgement, refer to the ato.gov.au website for further information.

<sup>1</sup> Indexed each year in line with AWOTE and rounded down to the nearest \$2,500.

<sup>2</sup> You can make a voluntary personal contribution provided it is received by the fund within 28 days of the date on which you turn 75.

Superannuation co-contribution for eligible members who have made personal super contributions in the financial year	<p>The Australian government can make certain contributions to super for eligible members who have made personal super contributions in the financial year, provided the members personal tax file no has been provided. The ATO will assess eligibility at the end of each financial year and make the assessed contribution automatically</p> <p>How it works</p> <p>You will receive 50 cents for every \$1 contributed, up to a maximum co-contribution of \$500, reducing by 3.333 cents for every dollar your income is over the lower income threshold of \$38,564. The co-contribution will cease at the upper threshold of \$53,564 in the financial year 2019/2020.</p>
Downsizer contribution for individuals aged 65 or more (no maximum age limit)	<p>Limited to capital proceeds from disposal of a property located in Australia with a sale contract post 1 July 2018.</p> <p>\$300,000 lifetime limit.</p> <p>Rules apply on ownership, timing, CGT, and excess contributions.</p>
Making personal injury contributions	<p>Certain personal injury payments can be contributed and are exempt from contributions caps. Special rules apply. Refer to the ato.gov.au website for further information.</p>
Spouse contribution	<p>If you are eligible, your spouse can make after tax contributions to your super Account on your behalf. Further information can be found in the Additional Information Guide, Contributions Guide and via the ato.gov.au website.</p>
Spouse contribution tax offset	<p>Eligible members may receive up to a \$540 tax offset if your spouse's assessable income is less than \$40,000 and contributions made to your spouse's super fund were not deductible to you.</p> <p>The tax offset is calculated as 18% of the lesser of \$3,000, reduced by \$1 for every \$1 that the sum of your spouse's assessable income (including reportable fringe benefit amounts and reportable employer super contributions for the financial year) was more than \$37,000 or the total of your contributions for your spouse for the year.</p> <p>Special rules apply. Refer to ato.gov.au for further information on rates and thresholds.</p>
Low income super tax offset (LISTO)	<p>Eligible members with an adjusted taxable income of up to \$37,000 will receive a LISTO payment from the Australian government into their super Account.</p> <p>The LISTO payment will be equal to 15% of the total concessional (pre-tax) Super Guarantee and personal contributions per year, capped at \$500. Other rules apply, refer to ato.gov.au for further information.</p>

## TAXATION IN SUPERANNUATION

<p>Tax on contributions</p> <p>If you are a high earner, you may pay an additional tax for contributions (Division 293 tax) directly to the ATO</p> <p>Tax on super investment earnings</p>	<p>Individuals who earn less than \$250,000 – 15% applies</p> <p>Individuals who earn more than \$250,000 – 30% applies</p> <p>15% p.a. on investment earnings applies. Some capital gains may be taxed at a concessional rate of 10%.</p> <p>Refer to the Additional Information Guide and the ato.gov.au website for more details.</p>
<p>Tax on exceeding the transfer balance cap</p>	<p>Transfer balance cap is \$1.6 million for 2019/2020 financial year</p> <p>Excess amounts plus excess transfer balance earnings have to be removed. Earnings accrue until excess is removed. Earnings accrued is based on ATO general interest charge.</p> <p>Tax rate due is 15% for first incident and 30% for each incident of excess thereafter.</p>

## TAX TREATMENT OF LUMP SUM PAYMENTS

<p>Tax free component</p> <p>Taxable component</p> <p>Under preservation age</p> <p>Over preservation age and under 60</p> <p>Age 60 and over</p>	<p>Tax free.</p> <p>20% plus applicable levies.</p> <p>Tax free up to Low Rate Cap amount, balance taxed at 15% plus applicable levies.</p> <p>Tax free.</p>
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Lump sum withdrawal - Concessional low rate cap	Tax payable on the taxable component of a lump sum payment is tax free up to the low rate cap of \$210,000. Thereafter, it is taxed at 15% (plus applicable levies)
Tax when rolling over to a pension account	Nil, as long as you are within your transfer balance cap.
Tax on terminal illness or death	Refer to the Additional Information Guide and ato.gov.au website.
Tax on temporary residents departing Australia	<p>Departing Australia Super Payments (DASP) tax rates:</p> <ul style="list-style-type: none"> <li>• tax free component – no tax payable</li> <li>• taxable component – taxed at 35%</li> <li>• untaxed component – taxed at 45%</li> </ul> <p>If you are a working holiday maker, the tax rate for DASP is 65% from 1 July 2017 (applying to both taxed and untaxed component).</p>

## OTHER IMPORTANT INFORMATION

Work test	<p>To meet the 'work test', you must be gainfully employed or self-employed (for reward) for a period of at least 40 hours in a period of 30 consecutive days in the financial year in which the super contribution is made. The 'work test' exemption applies from 1 July 2019. To meet the criteria, you must have:</p> <ul style="list-style-type: none"> <li>• satisfied the work test in the financial year preceding the year in which you made the contribution</li> <li>• a total superannuation balance of less than \$300,000 at the end of the previous financial year, and</li> <li>• not previously used the work test exemption.</li> </ul>
Employer superannuation guarantee 2019/20 financial year	9.50% of 'ordinary time earnings' up to a 'maximum contribution base' of \$55,270 per quarter in the financial year.
Cut off dates	No age restrictions apply to SG and award contributions.
Highest personal marginal tax rate	28 October, 28 January, 28 April, 28 July. Refer to ato.gov.au for further information on SG, 'ordinary time earnings' and 'maximum contribution base' amount.
Medicare levy	45% plus applicable Levies
GST and reduced input tax credits (RITC)	Refer to ato.gov.au for details of all marginal rates.
	2% of taxable income <sup>3</sup> .
	All fees in the Fund are inclusive of GST. RITCs may be able to be claimed on certain services. Further information can be found in the Additional Information Guide.

### Where can I get more information?

This factsheet provides a summary of important Superannuation taxation and contribution caps and thresholds. Further information can be found in the Additional Information Guide of the Fund.

These Superannuation, taxation and contribution caps and thresholds may change as a result of amended or new legislation or the commencement of a new financial year. For further details, refer to ato.gov.au/super.

### Contact us

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<sup>3</sup> The Medicare Levy may be reduced or exempted in some certain circumstances.  
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