

SUMMARY OF RATES & THRESHOLDS

2011/2012

Concessional contributions cap

Concessional contributions include:

- ↳ employer contributions (including contributions made under a salary sacrifice arrangement)
- ↳ personal contributions claimed as a tax deduction by a self-employed person.

Income year	Amount of cap	
	Under age 50	Age 50 or over
2011/12	\$25,000	\$50,000
2010/11	\$25,000	\$50,000

The concessional contributions cap is indexed in line with average weekly ordinary time earnings (AWOTE) in increments of \$5,000 (rounded down).

People aged 50 or over with balances of \$500,000 or more will be capped at \$25,000 from 1 July 2012.

Note: Federal Budget 2011 announcement—from 1 July 2012, the limit of \$50,000 will be retained (and indexed in accordance with rules set out above) for people aged 50 or over who have super balances under \$500,000.

Non-concessional contributions cap

Non-concessional contributions include personal contributions for which you do not claim an income tax deduction.

Income year	Amount of cap
2011/12	\$150,000
2010/11	\$150,000

The non-concessional cap is six times the concessional contributions cap.

People under 65 years of age may be able to make non-concessional contributions of up to three times their non-concessional contributions cap over a three-year period. This is known as the 'bring-forward' option.

Capital gains tax (CGT) cap amount

Contributions arising from certain small business assets sale proceeds are **excluded** from the non-concessional cap but only up to a lifetime CGT cap (see table below).

Any such contributions above the lifetime limit are **included** in the non-concessional cap.

Income year	Amount of cap
2011/12	\$1.205 million
2010/11	\$1.155 million

This cap is indexed in line with AWOTE increments of \$5,000 (rounded down).

Untaxed plan cap amount

The untaxed plan cap amount limits the concessional tax treatment of benefits that have not been subject to contributions tax in a superannuation fund. The untaxed plan cap amount applies to each superannuation plan from which a person receives superannuation lump sum member benefits. Generally, this would apply to an untaxed super fund—see the Australian Taxation Office (ATO) website ato.gov.au for more information.

Income year	Amount of cap
2011/12	\$1.205 million
2010/11	\$1.155 million

The untaxed plan cap amount is indexed in line with AWOTE in increments of \$5,000 (rounded down). The new indexed amount is generally available each February.

Super co-contribution

The super co-contribution is an Australian Government initiative to help low to middle income earners save for their retirement. Self-employed members may also qualify for the co-contribution.

The maximum co-contribution amount is \$1,000 for a \$1,000 personal contribution you make to super, while your income is below the minimum threshold for the financial year.

Co-contribution income thresholds		
Year	Lower income threshold	Higher income threshold
2011/12	\$31,920	\$61,920
2010/11	\$31,920	\$61,920

Preservation age

Generally, you must reach preservation age and trigger a condition of release before you can access your superannuation. The table below illustrates your preservation age based on your date of birth.

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
From 1 July 1964	60

Low rate cap amount

The application of the low rate threshold for superannuation lump sum payments is capped. The low rate cap amount is reduced by any amount previously applied to the low rate threshold.

Income year	Cap amount
2011/12	\$165,000
2010/11	\$160,000

The low rate cap amount is indexed in line with AWOTE in increments of \$5,000 (rounded down).

Lump-sum tax rates for superannuation benefit payments

Component	Tax treatment*
Tax-exempt	Tax-free
Taxable component	<p>Below preservation age: 21.5% (inclusive of Medicare levy)</p> <p>Preservation age to age 59: first \$165,000** tax-free and remainder taxed at 16.5% (inclusive of Medicare levy)</p> <p>Aged 60 or over: tax-free</p>

* These rates apply only to the taxed element of a superannuation benefit payment.

** This amount applies in 2011/12.

Income tax rebates and deductions available for contributions

Spouse rebate

If your spouse earns less than \$13,800 a year (including reportable fringe benefits) and you make spouse contributions for them, you may be eligible for a tax rebate of up to \$540 a year.

The amount of spouse contributions is unlimited, but the maximum rebate is 18% of \$3,000 (ie \$540). The rebate is reduced if your spouse earns over \$10,800 and phases out completely if they earn over \$13,800 a year. You can claim the rebate on your tax return for the year in which the contribution is made. A non-concessional contribution cap applies to the receiving spouse.

Self-employed contributions

You may be eligible to claim a tax deduction on your personal contributions to super if you are self-employed or substantially self-employed. To claim a tax deduction you must complete and return a *Notice of intent to claim a tax deduction* form. These contributions will count towards your concessional contributions cap.

Employer contributions

Employers can claim a tax deduction for contributions made to a complying fund on behalf of an employee. These contributions will count towards the member's concessional contributions cap.

Minimum pension drawdown

These are the minimum amounts self-funded retirees have to draw down from their account-based pensions.

Note: Federal Budget 2011 announcement—the reduction in minimum pension payment amounts for allocated pensions introduced as a result of the GFC will be extended for another year but at a reduced rate. The 50% reduction to minimum annual pension percentage factors allowed in 2010/11 will be reduced to 25% for 2011/12 and there will be no reduction applying from 1 July 2012.

Age	Minimum % withdrawal from 2011/12	Minimum % withdrawal from 2010/11	Minimum % withdrawal from 2009/10
Under 65	3%	2%	2%
65–74	3.75%	2.5%	2.5%
75–79	4.5%	3%	3%
80–84	5.25%	3.5%	3.5%
85–89	6.75%	4.5%	4.5%
90–94	8.25%	5.5%	5.5%
95 or more	10.5%	7%	7%

Employer related payment rates and thresholds

Superannuation guarantee contribution base

Employers are obliged to contribute a minimum of 9% of an eligible employee's ordinary time earnings to a complying superannuation fund or retirement savings account. Contributions need to be made at least every quarter.

The maximum superannuation contribution base is used to determine the maximum limit on any individual employee's earnings base for each quarter of any financial year. You do not have to provide the minimum support for the part of earnings above this limit.

Income year	Per quarter
2011/12	\$43,820
2010/11	\$42,220

Employment Termination Payment (ETP) cap amount

An ETP is a payment made in consequence of the termination of employment. It can include:

- ↳ amounts for unused rostered days off
- ↳ amounts in lieu of notice
- ↳ a gratuity or 'golden handshake'
- ↳ an employee's invalidity payment (for permanent disability, other than compensation for personal injury)
- ↳ certain payments after the death of an employee.

Employment termination payments do not include:

- ↳ a payment for unused annual leave or unused long service leave
- ↳ the tax-free part of a genuine redundancy payment or an early retirement scheme payment.

The amount up to the ETP cap amount will be taxed at a concessional rate. The amount in excess of the ETP cap amount will be taxed at the top marginal rate.

ETP cap amount for life benefit termination payments

Income year	Amount
2011/12	\$165,000
2010/11	\$160,000

Tax-free part of genuine redundancy payments and early retirement scheme payments

Income year	Base limit	For each complete year of service
2011/12	\$8,435	\$4,218
2010/11	\$8,126	\$4,064

Transitional ETP cap amounts up to 30 June 2012

Transitional arrangements apply if an employee was entitled, as at 9 May 2006, to a payment made on the termination of employment under:

- ↳ a written contract
- ↳ an Australian or foreign law (or an instrument under such a law)
- ↳ a workplace agreement under the Workplace Relations Act 1996.

Employment termination payments made after 1 July 2007 (other than those made under the transitional arrangements) cannot be rolled over into superannuation.

Age of receipt	Tax free component	Tax on taxable component	Taxable component*
Under preservation age	Tax free	30%	\$0 to \$1,000,000
		45%	\$1,000,001+
Preservation age and over	Tax free	15%	\$0 to \$165,000
		30%	\$165,001 to \$1,000,000
		45%	\$1,000,001+

The above rates do not include the Medicare levy of 1.5%.

* This amount applies in 2011/12

Unused annual leave

Date	Normal termination or retirement	Genuine redundancy, early retirement scheme or invalidity segment of ETP
To 17 August 1993	Fully assessable–30%	Fully assessable–30%
18 August 1993+	Fully assessable–marginal tax rate	Fully assessable–30%

Plus Medicare levy as applicable.

Unused long service leave

Date	Normal termination or retirement	Genuine redundancy, early retirement scheme or invalidity segment of ETP
To 15 August 1978	5% assessable–marginal tax rate	5% assessable–marginal tax rate
16 August 1978–17 August 1993	Fully assessable–30%	Fully assessable–30%
18 August 1993+	Fully assessable–marginal tax rate	Fully assessable–30%

Individual income tax rates

These income tax rates apply to Australian tax residents.

Tax rates 2011/2012		Tax rates 2010/2011	
Taxable income	Tax on this income	Taxable income	Tax on this income
\$1–\$6,000	Nil	\$1–\$6,000	Nil
\$6,001–\$37,000	15c for each \$1 over \$6,000	\$6,001–\$37,000	15c for each \$1 over \$6,000
\$37,001–\$80,000	\$4,650 plus 30c for each \$1 over \$37,000	\$37,001–\$80,000	\$4,650 plus 30c for each \$1 over \$37,000
\$80,001–\$180,000	\$17,550 plus 37c for each \$1 over \$80,000	\$80,001–\$180,000	\$17,550 plus 37c for each \$1 over \$80,000
\$180,001 and over	\$54,550 plus 45c for each \$1 over \$180,000	\$180,001 and over	\$54,550 plus 45c for each \$1 over \$180,000

The above rates do not include the Medicare levy of 1.5%.

Source: Australian Taxation Office

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