2017-2018 Superannuation Contribution Limits

DGL ACCOUNTANTS

Concessional & Non-Concessional Caps

CONCESSIONAL CAP	NON-CONCESSIONAL CAP*
$25,000	$100,000

Non-Concessional Contributions – Extra Conditions

Non-concessional contributions will be subject to a $1.6M eligibility threshold, determined as at 30 June of the previous year in which you wish to make the contribution.

To access the bring forward mode an individual:

- Needs to be under age 65 at some time during the year
- Where the contributions is made after their 65th birthday (work test satisfy).
- Eligibility depends on the individuals 'total superannuation balance'.

The new bring forward amount and periods for the 2018 financial year are shown in the table below.

Total Superannuation Balance at 30th June the year prior	Bring Forward Amount	Bring Forward Period
Less than $1.4m	$300,000	3 years
≥ $1.4m but less than $1.5m	$200,000	2 years
≥ $1.5m but less than $1.6m	$100,000	n/a
$1.6m or more	Nil	n/a

If your total superannuation balance is more than $1.4m please seek advice before making non-concessional contributions.

Transitional Arrangements

Transitional arrangements will apply where members have not fully utilised their bring forward cap before 1 July 2017. Thus, the bring forward provisions will be reassessed to reflect the new annual non-concessional contributions cap as follows:

BRING FORWARD TRIGGERED	TRANSITIONAL CAP
2016	**$460,000** (Annual cap of $180,000 in 2015-2017 and $100,000 in FY2018)
2017	**$380,000** (Annual cap of $180,000 in 2017 and $100,000 in 2018-2019)

Tax treatment

Concessional contributions

Concessional contributions (CC) are generally taxed at 15% on entry to the fund in the hands of the fund trustee.

Broadly, people who earn more than $250,000 per financial year pay 30% tax on concessional contributions made by them, or on their behalf, on the amount above the $300,000 income threshold (the income threshold reduces to $250,000 from 1 July 2017).

The definition of 'income' for these purposes broadly includes the person's taxable income plus their CCs (excluding excess CCs), reportable fringe benefits ('RFBs') and total net investment loss.

Excess concessional contributions are taxed at the highest marginal tax rate plus applicable levies (currently 49%). You can, however, elect to withdraw up to 85% of any excess concessional contributions from superannuation to avoid this excess tax. The total excess contribution is then taxed in your hands at your marginal tax rate, with a 15% tax offset to account for the tax withheld and remitted to the ATO by the fund trustee on the contribution. An ATO release authority must be received by you before any excess can be withdrawn.

Excess concessional contributions that are not withdrawn also count against the NCC cap.

Non-concessional contributions

Non-Concessional Contributions (NCC) are generally not included in the assessable income of the fund.

Excess NCCs are taxed at the highest marginal rate (currently 49%) unless the excess amount is withdrawn from the fund, along with 85% of the deemed applicable earnings on the excess NCCs. The total applicable earnings are included in your assessable income and taxed at your marginal tax rate, with a 15% tax offset to account for the tax withheld and remitted to the ATO by the fund trustee on these notional earnings. An ATO release authority must be received by you before any excess can be withdrawn.

Income derived at the fund level

Earnings on concessional contributions received by a superannuation fund are generally taxed at 15%.

Contribution requirements

The following table summarises when contributions can be accepted by a fund trustee under the *Superannuation Industry (Supervision) Regulations 1994* (Cth) ('SISR'):

Age of member	When contributions can be accepted
Under age 65	Contributions can be accepted in respect of a member under age 65, with no requirement for them to be gainfully employed.
Age 65 or over but under age 70	Contributions can be accepted if they are: • Mandated employer contribution (eg, superannuation guarantee contributions); • employer contributions (other than mandated employer contributions) and the member passes the work test* • member contributions and the member passes the work test*
Age 70 or over but under age 75	Contributions can be accepted if they are: • Mandated employer contribution; • employer contributions* and the member and the member passes the work test* • member contributions* (provided the contributions are made by the member) and the and the member passes the work test* *Contributions can be received within 28 days after the end of the month in which the member turns age 75.
Age 75 or over	Contributions can only be accepted if the contribution is a mandated employer contribution.

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***Work Test**

The work test requires any member age 65 to 74 years old must be gainfully employed and work for a minimum of 40 hours within no more than a 30 consecutive day period before the contribution is made and in the same financial year as the contribution

Non-concessional and other contributions must be received by the fund trustee within 28 days after the end of the month in which the member reaches age 75 (subject to having passed the work test)

'Gainfully employed' includes being self-employed for gain or reward in any business, trade, profession, vocation, calling, occupation or employment.' Gain or reward takes its ordinary meaning and includes receiving remuneration such as wages, business income, bonuses and commission for personal exertion. It does not include the passive receipt of income, such as rent or dividends.

From age 75, members can generally only have mandated employer contributions made to a superannuation fund on their behalf.