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**HOODSWEENEY**

## Superannuation reforms

**Changes in force from  
1 July 2017**

**Some clarity has been provided regarding the proposed superannuation reforms with the legislation passing both the House of Representatives and the Senate.**

**Once the legislation has received royal assent the following changes will come into force from 1 July 2017.**

- A maximum of \$1.6million per individual can be held in pension phase within superannuation
- The concessional contribution limit will be reduced to \$25,000
- The requirement to receive less than 10% of your income from employment sources to be eligible for a personal deduction for concessional superannuation contributions will be removed
- The non-concessional contribution limit will be reduced to \$100,000 per year or \$300,000 over a three year period
- No further non-concessional contributions will be able to be made where your total superannuation exceeds \$1.6million
- Earnings on superannuation benefits will only be received tax free by the superannuation fund on pensions applicable to a member who has retired, has a terminal medical condition, is permanently incapacitated or has attained age 65
- The income threshold for additional contributions tax for high income earners will be reduced to \$250,000
- A low income superannuation tax offset will apply to the superannuation fund to offset the tax payable on concessional contributions where an individuals adjusted taxable income is \$37,000 or less

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- Superannuation funds will no longer be able to claim an Anti-detriment deduction if they pay a superannuation benefit on the death of a member to benefit their spouse, former spouse or child
- The income threshold for spouse contributions tax offset will increase to \$40,000.

The following should be in force from 1 July 2018:

- Any unused concessional contribution cap can be carried forward for up to five financial years, providing the member's superannuation balance is below \$500,000 before the start of the financial year the catch up contributions are to be made. An individual will not have an unused contribution cap earlier than 1 July 2019.

**These are the largest changes to superannuation since 2007 and are significant reforms. Now that legislation has passed we can assess how these changes will be applied and what the implications are.**

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**If you wish to discuss any of these changes further, please contact your Hood Sweeney adviser.**



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