

2020-21 SUPERANNUATION GUIDE

CONTRIBUTIONS

Who can contribute to Superannuation?

- **Under age 65:** no restrictions
- **65 –74:** must meet work test (be gainfully employed for 40 hours over 30 days in Financial Year)
- **75 or over:** cannot contribute, but only receive mandated employer contributions (Super Guarantee).

TYPES OF CONTRIBUTIONS¹

Concessional contributions (CCs) – before tax monies contributed where a deduction is claimed

Age	Limit p.a.
18 to 75 years - Basic concessional contributions cap	\$ 25,000*
75 years +	\$ NIL (only Super Guarantee)

* The opportunity to carry forward CCs is subject to meeting certain conditions. Please consult with your adviser before proceeding with any contribution

Non-concessional contributions (NCCs) – after tax monies contributed where no deduction is claimed

Cap	Total Super Balance (on 30 June of previous financial year)	Cap amount
Annual cap	<\$1.6m	\$100,000
Bring-forward	<\$1.4m	\$300,000
• Can only be triggered if <65 on prior to 1 July	\$1.4m to \$1.5m	\$200,000
	\$1.5m to \$1.6m	\$100,000
• To determine eligibility to trigger bring forward	\$1.6m +	\$ NIL

The bring-forward rule may allow an individual to bring forward up to two future years of non-concessional contributions caps into the current year (in addition to the standard non-concessional contributions cap), depending on a person's age, past use of the bring forward rule and total superannuation balance at 30 June of the previous financial year.

¹ Other types of contributions may include those made under: Downsizer, CGT contribution cap or Government co-contribution to name a few. Specific advice should be obtained from your adviser.

TRANSFER BALANCE CAP (TBC) FOR RETIREMENT PHASE

Financial Year	Transfer Balance Cap
2020/21	\$1.6m

The TBC will be indexed annually by Consumer Price Index (CPI) in increments of \$100,000.

PRESERVATION RULINGS/ CONDITIONS OF RELEASE

Conditions of Release – Lump Sum: Retirement after reaching preservation age, Reaching age 65, Death, Permanent Incapacity, Severe Financial Hardship, Terminating gainful employment after age 60 for contributing employers, Temporary Incapacity, Compassionate Grounds.

Conditions of Release – Pension: Reaching preservation age

ACCOUNT BASED PENSIONS

Age	Minimum 2020/21	Minimum 2021/22
Under 65	2.0%	4.0%
65 – 74	2.5%	5.0%
75 – 79	3.0%	6.0%
80 – 84	3.5%	7.0%
85 – 89	4.5%	9.0%
90 – 94	5.5%	11.0%
95 +	7.0%	14.0%

Minimum percentages are calculated on account balance at commencement of pension and at start of each subsequent financial year. The maximum limit of 10% p.a. applies to those under age 65 who have not met a condition of release. No maximum annual income payment applies unless the pension is a transition to retirement income stream.

TAX ON PAYMENT OF SUPERANNUATION BENEFITS

Lump sum payments

Age	Tax on tax free component	Tax on taxable component
Under preservation age	0%	20%*
Over preservation age but under age 60	0%	First \$205,000 tax free and 15% on balance*
Over age 60	0%	0%

Superannuation income stream

Age	Tax on tax free component	Tax on taxable component
Under preservation age	0%	Marginal rate*
Over preservation age but under age 60	0%	Marginal rate* less 15% rebate
Over age 60	0%	0%

* The Medicare levy is payable in addition to the above rates of tax.

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