

This guide is an initiative of the CPA Australia Financial Advisory Services Centre of Excellence. Information is current – based on legislation as at 1 July 2006.

REASONABLE BENEFIT LIMIT			
	2006/07	2005/06	2004/05
Lump-Sum RBL	\$678,149	\$648,946	\$619,223
Pension RBL	\$1,356,291	\$1,297,886	\$1,238,440

MAXIMUM DEDUCTIBLE CONTRIBUTIONS (MDC)		
Age of Member	Aged Based MDC*	Substantially Self-Employed Persons Deduction**
Under 35 years	\$15,260	\$18,680
35 to 49 years	\$42,385	\$54,847
50 years and over	\$105,113	\$138,484

*These are the gross contributions required to reach the MDC based on \$5,000 plus 75% of excess personal contributions up to the age based limit.
 ** These are the gross contribution levels for self employed persons to reach the MDC limit. For gross contributions less than the MDC the first \$5,000 is fully deductible plus 75% of the balance. The non-deductible component is treated as an undeducted contribution.
 Note: Proposed new levels from 1 July 2007 are for a flat \$50,000 p.a. for all ages (with a transitional rate of \$100,000 for people over age 50).

ELIGIBLE TERMINATION PAYMENTS		
	Assessable Amount	Maximum Tax Rate**
Concessional Component	5%	Marginal rate
Undeducted Contributions	Not assessable	Exempt
Post-1/7/94 Invalidity Component	Not assessable	Exempt
CGT Exempt Component (Up to \$500,000)	Not assessable	Exempt
Pre-1/7/83 Component	5%	Marginal rate
Post-30/6/83 Component:		
Under 55		
- Taxed element		20%
- Untaxed element		30%
55 and over		
- \$0 to ETP threshold* (taxed element)		0%
- \$0 to ETP threshold* (untaxed element)		15%
- Balance over ETP threshold* (taxed element)		15%
- Balance over ETP threshold* (untaxed element)		30%
Excessive Component:		
- Pre 1/7/83 Component		47%
- Post 30/6/83 Taxed Component		38%

*ETP Threshold (55 and over) for 2006/07 is \$135,590
 **Tax rates exclude Medicare Levy which needs to be added to the applicable rate (unless rate is 0%)

OTHER TERMINATION PAYMENTS			
Non ETP Lump Sum Payment			
	Period of Accrual	Assessable Amount	Maximum Tax Rate*
Unused Long Service Leave	Pre 16/8/78	5%	Marginal rate
	16/5/78 - 17/8/93	100%	30%
	Post 17/8/93	100%	Marginal rate
Accrued Annual Leave	Pre 18/8/93	100%	30%
	Post 17/8/93	100%	Marginal rate
Bona fide redundancy, invalidity or approved early retirement scheme payments			
Unused Long Service Leave	Pre 16/8/78	5%	Marginal rate
	Post 15/8/78	100%	30%
Accrued Annual Leave	Full Period	100%	30%

Bona Fide Redundancy Tax-free Amount: \$6,783 + \$3,392 for each completed year of service (2006/07).
 *Tax rates exclude Medicare Levy which needs to be added to the applicable rate (unless rate is 0%)

SUPERANNUATION GUARANTEE CHARGE – MINIMUM RATE			
1997/1998	6%	2000/2001	8%
1998/1999	7%	2001/2002	8%
1999/2000	7%	2002/2003 onwards	9%

Maximum Contribution Base \$35,240 per quarter (2006/07).
 No SG payable if earnings <\$450 in a month.

SUPERANNUATION GUARANTEE CHARGE – QUARTERLY DUE DATES		
Quarter ending	Employer contribution due	SGC statement and payment due
30 September	28 October	28 November
31 December	28 January	28 February
31 March	28 April	28 May
30 June	28 July	28 August

Penalties apply to those employers who fail to submit SG contributions by the 28th of the month following the end of quarter. They are required to complete an SG statement by the 28th of the second month after the end of quarter and pay the SG charge liability. This charge consists of: the shortfall in the SG contributions for the quarter, interest at 10% per annum on the shortfall up to the date the statement and payment is submitted and a \$20 administration charge for each employee where a shortfall exists.

From 1 January 2006, contributions made between the end of the quarter and the SG statement due date may be used to offset the SG shortfall.

SUPERANNUATION SURCHARGE RATE (Abolished effective 1/7/05)	
Surcharge Rate % =	Taxpayers ATI* – \$99,710 \$1,709

*ATI = Adjusted Taxable Income

A maximum surcharge rate of 12.5% applies if ATI exceeds \$121,075

SUPERANNUATION GOVERNMENT CO-CONTRIBUTION	
Assessable Income (AI) \$	Maximum Govt. co-contribution* \$
0 – 28,000	1,500
28,001 – 57,999	1,500 – [(AI – 28,000) x 0.05]
58,000 +	Nil

*If amount payable <\$20, minimum payment = \$20.

Government co-contribution available for personal contributions made by an employee to a complying super fund or RSA. A tax return must be lodged and the employee cannot be eligible for \$5,000 self-employed deduction. The payment will be calculated by the ATO and paid directly to employee's fund.

SUPERANNUATION CONTRIBUTIONS – SPOUSE OFFSET		
Spouse Assessable Income (SAI) \$	Maximum Rebatable Contributions (MRC) \$	Maximum Rebate \$
0 – 10,800	3,000	540*
10,801 – 13,799	3,000 – [SAI – 10,800]	MRC x 18%
13,800 +	Nil	Nil

*Where the actual contribution is less than these figures, the maximum rebate will be the actual contribution x 18%.

Spouse rebate is available for contributions made on behalf of their spouse by the contributor (whether an employee or not) where they and their spouse are residents at the time of contribution. Contributions must be to a complying superannuation fund or an RSA to be rebatable.

PRESERVATION AGES*	
Individual Born	Preservation Age
Before 1/7/60	55
1/7/60 – 30/6/61	56
1/7/61 – 30/6/62	57
1/7/62 – 30/6/63	58
1/7/63 – 30/6/64	59
After 30/6/64	60

*All superannuation contributions and earnings from 1 July 1999 are preserved.

DEATH BENEFIT SUPERANNUATION PAYMENTS		
	Assessable Amount	Maximum Tax Rate*
Up to Deceased's Pension RBL		
Paid to a Dependant		Nil
Paid to a Non-Dependant:	5%	Marginal rate 15% 30%
- Pre 1/7/83 component		
- Post 30/6/83 component (taxed element)		
- Post 30/6/83 component (untaxed element)		
Excess benefits above Pension RBL		47%

*Tax rates exclude Medicare Levy and need to be added to the applicable rate (unless rate is 0%)

LIFE EXPECTANCY TABLES (2000–02)								
Used for MLIS, term annuities or pensions and DA calculations on or after 1 January 2005								
Age	Life expectancy in years		Age	Life expectancy in years		Age	Life expectancy in years	
	Male	Female		Male	Female		Male	Female
55	25.92	29.91	66	16.95	20.32	77	9.77	11.94
56	25.05	29.00	67	16.21	19.49	78	9.24	11.27
57	24.19	28.10	68	15.48	18.67	79	8.73	10.61
58	23.34	27.21	69	14.78	17.87	80	8.24	9.98
59	22.49	26.32	70	14.08	17.08	81	7.77	9.38
60	21.66	25.44	71	13.41	16.29	82	7.32	8.81
61	20.84	24.57	72	12.75	15.53	83	6.89	8.27
62	20.04	23.71	73	12.11	14.78	84	6.48	7.76
63	19.24	22.85	74	11.50	14.05	85	6.11	7.28
64	18.46	22.00	75	10.90	13.33	86	5.77	6.83
65	17.70	21.15	76	10.32	12.63	87	5.47	6.41

PENSION VALUATION FACTORS (PVF)								
Maximum and minimum income factors for allocated pensions commencing BEFORE 1 January 2006 (or until 30 June 2006)								
Age	Min. PVF	Max. PVF	Age	Min. PVF	Max. PVF	Age	Min. PVF	Max. PVF
55	19.8	9.6	66	15.3	7.9	77	10.4	3.0
56	19.4	9.5	67	14.9	7.6	78	10.0	2.2
57	19.0	9.4	68	14.4	7.3	79	9.5	1.4
58	18.6	9.3	69	14.0	7.0	80	9.1	1.0
59	18.2	9.1	70	13.5	6.6	81	8.7	1.0
60	17.8	9.0	71	13.1	6.2	82	8.3	1.0
61	17.4	8.9	72	12.6	5.8	83	7.9	1.0
62	17.0	8.7	73	12.2	5.4	84	7.5	1.0
63	16.6	8.5	74	11.7	4.8	85	7.1	1.0
64	16.2	8.3	75	11.3	4.3	86	6.8	1.0
65	15.7	8.1	76	10.8	3.7	87	6.4	1.0

PENSION VALUATION FACTORS (PVF)								
Maximum and minimum income factors for allocated pensions commencing AFTER 1 January 2006								
Age	Min. PVF	Max. PVF	Age	Min. PVF	Max. PVF	Age	Min. PVF	Max. PVF
55	21.1	11.5	66	16.8	9.6	77	11.9	5.1
56	20.8	11.4	67	16.4	9.3	78	11.4	4.5
57	20.4	11.3	68	16.0	9.1	79	10.9	3.8
58	20.1	11.2	69	15.5	8.7	80	10.5	3.1
59	19.7	11.0	70	15.1	8.4	81	10.0	2.3
60	19.3	10.9	71	14.6	8.0	82	9.6	1.4
61	18.9	10.7	72	14.2	7.6	83	9.1	1.0
62	18.5	10.5	73	13.7	7.2	84	8.7	1.0
63	18.1	10.3	74	13.3	6.7	85	8.3	1.0
64	17.7	10.1	75	12.8	6.2	86	7.9	1.0
65	17.3	9.9	76	12.3	5.7	87	7.5	1.0

PAYMENT FACTORS FOR MARKET LINKED INCOME STREAMS					
Term remaining (years)	Payment factor	Term remaining (years)	Payment factor	Term remaining (years)	Payment factor
70 or more	26.00	47	22.90	24	16.06
69	25.91	46	22.70	23	15.62
68	25.82	45	22.50	22	15.17
67	25.72	44	22.28	21	14.70
66	25.62	43	22.06	20	14.21
65	25.52	42	21.83	19	13.71
64	25.41	41	21.60	18	13.19
63	25.30	40	21.36	17	12.65
62	25.19	39	21.10	16	12.09
61	25.07	38	20.84	15	11.52
60	24.94	37	20.57	14	10.92
59	24.82	36	20.29	13	10.30
58	24.69	35	20.00	12	9.66
57	24.55	34	19.70	11	9.00
56	24.41	33	19.39	10	8.32
55	24.26	32	19.07	9	7.61
54	24.11	31	18.74	8	6.87
53	23.96	30	18.39	7	6.11
52	23.80	29	18.04	6	5.33
51	23.63	28	17.67	5	4.52
50	23.46	27	17.29	4	3.67
49	23.28	26	16.89	3	2.80
48	23.09	25	16.48	2	1.90
				1 or less	1.00

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