CPA Australia Superannuation, Tax and Social Security Guide: 2025-2026

Volume 3: March 2026

CPA AUSTRALIA

1. Contributions

This guide is the initiative of the CPA Australia Retirement Savings Centre of Excellence.
Information is current – based on legislation and Social Security rates as at 21 March 2026.

Acceptance of contributions

Age of member	Fund may accept:
Under 67	All contributions
67 to 74**	All contributions, however personal deductible contributions may only be made subject to work test*
75 & over	Mandated contributions only

*Work test for members making personal deductible contributions – member has been gainfully employed for a minimum of 40 hours over 30 consecutive days during the financial year in which the contributions are made. One-off work test exemption available.

**Must be received no later than 28 days after the end of the month they turn 75.

Super guarantee (SG) percentage

Income	SG rate[1]
1 July 2024 – 30 June 2025	11.5%
From 1 July 2025	12%

1. SG calculated on ordinary time earnings (OTE) up to 30 June 2026, qualifying earnings from 1 July 2026.

Maximum SG contribution base

$65,070 per quarter / $260,280 per annum (2024-25)
$62,500 per quarter / $250,000 per annum (2025-26)
Maximum SG contribution base is indexed to AWOTE
Annual figure only from 1 July 2026

SG charge (SGC) due dates

Quarterly due dates (up to 30 June 2026)

Quarter ending	Employer contribution payment dates	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

SG due dates (from 1 July 2026)

Employee[3] due date	Employer contribution due dates after qualifying earnings (QE) day[1]
7-day deadline	7 business[2,5] days
Extended due date	20 business[2] days
Existing employees • Normal contributions • Change of choice of super fund	7-day deadline Extended due date[6]
New employees	Extended due date
Out-of-cycle contributions	Applicable due date after next QE day
Exceptional circumstances involving multiple employers[4]	Extended due date

1. Applies to contributions required on QE days from 1 July 2026 onwards in normal payroll cycle unless otherwise indicated.
2. Business days include days which are not Saturdays, Sundays or public holidays which apply to the whole of an Australian state or territory.
3. 'Employees' for the purposes of SG requirements can include individuals in capacities such as contractors, directors and other categories. Due date refers to number of business days after QE day.
4. Subject to ATO assessment and includes natural disasters and system outages.
5. Where an extended due date overlaps a subsequent QE day, the due date for the subsequent QE day is the latter.
6. For contributions made after ceasing contributions to previous choice of fund instructions.

SGC calculation and transition information

For ordinary time earnings where remuneration is paid up to 30 June 2026, penalties apply to employers who fail to submit their SG contributions by the 28th of the month following the end of quarter. Employers are required to complete an SG statement by the 28th of the month after the end of quarter and pay the SGC liability.

This SGC consists of:

- Shortfall in the SG contributions for the quarter (including any choice liability)
- Interest at 10% p.a. on the shortfall up to the date the statement and payment is submitted and
- $20 administration charge per employee where a shortfall exists
- Contributions made after the due date may be used to offset the SG shortfall

From 1 July 2026, penalties apply to employers who fail to ensure their SG contributions are received by super funds by applicable due date. Employers who make late contributions are not required to complete voluntary disclosure statements, however this may affect calculation of the new liability.

The SGC will consist of:

- Total individual final SG shortfalls, after offsetting eligible late contributions
- Sum of all individual notional earnings components, using the general interest charge compounded daily
- Any administrative uplift amount (up to 60% of individual final SG shortfall), and
- Total choice loadings (if any)

Regulations (currently subject to disallowance) allow for SG compliance history of employer and completion of voluntary disclosure statement to reduce administrative uplift amount.

Note: Self-employed not required to make contributions.

SG not payable for part time employees under 18 years working less than 30 hours per week.

Contribution caps and thresholds

Contribution cap/ threshold	2024-25	2025-26	Excess contributions tax rate[1]
Concessional contributions (CC) cap (p.a.)[2,11]	$30,000	$30,000	n/a[3,4,5]
Non-concessional contributions (NCC) cap (p.a.)[7,12]	$120,000	$120,000	45%[6]
Total superannuation balance (TSB)			
CC carry forward limit[9,11]	$500,000	$500,000	n/a[4,5]
General transfer balance cap[10]	$1,900,000	$2,000,000	47%[6]
Division 293 tax income threshold[17,18]	$250,000	$250,000	15%[15]
No tax file number (TFN) tax[12]			
Pre-July 2007 contributions threshold[9,14]	$1,000	$1,000	30%[6,13]
Post-June 2007 contributions threshold	$0	$0	30%[6]
CGT-exempt contributions cap			
Total CGT-exempt contributions cap (lifetime)[8]	$1,780,000	$1,865,000	n/a[4]
Small business retirement exemption limit (lifetime)[9]	$500,000	$500,000	n/a[4]

1. Where applicable, all CC taxed at 15% whether under or over caps or thresholds in addition to any additional tax.
2. Indexed to AWOTE in $2,500 increments.
3. Excess CC included in an individual's assessable income and taxed at marginal rate.
4. Excess contributions count towards the NCC cap.
5. Non-refundable offset equal to 15% of CC available.
6. Rate does not include Medicare levy.
7. NCC cap set at a multiple of four times the CC cap. Bring forward rule available up to age 74.
8. Indexed to AWOTE in $5,000 increments. Contributions which count towards the lifetime CGT-exempt contributions cap include the small business CGT retirement and 15-year CGT exemptions.
9. Not indexed.
10. Indexed to CPI in $100,000 increments. NCC can only be made if TSB is less than the general transfer balance cap. Restrictions on bring forward rule apply if TSB close to cap.
11. Unused CC carry forward amounts available if TSB less than CC carry forward limit. Unused amounts available for a maximum of 5 years.
12. NCC unable to be accepted by super fund unless the member's TFN has been quoted to the fund.
13. Tax offset of up to four years of no-TFN tax may be available where TFN is subsequently provided to fund.
14. Increased threshold available where account established prior to 1 July 2007. Amounts less than threshold not subject to no-TFN tax.
15. Calculated on lesser of excess income over threshold or total CC up to CC cap. Not payable on excess CC, or where taxable contributions are nil.
16. Assessed on excess income for surcharge purposes minus reportable employer super contributions over threshold.
17. Assessed on division 293 income = taxable income + total reportable fringe benefits + net financial investment loss + net rental property loss + net amount on which family trust distribution tax has been paid - super lump sum elements with a zero tax rate - assessible FHSS released amount
18. Threshold set to CC cap and SG from July 2026.

Small business CGT retirement exemption

Must satisfy basic conditions applying to all CGT small business concessions, amount chosen to be exempt must not exceed remaining CGT retirement exemption limit and:

- If under 55 exempt amount must be contributed into a complying superannuation fund or RSA; or
- If 55 or over don't have to pay any amount into a complying superannuation fund or RSA, even though may have been under 55 years when received the capital proceeds.

Small business 15 year CGT exemption

Must satisfy basic conditions applying to all CGT small business concessions and:

- a CGT event happened to an asset of yours;
- you continuously owned the asset for the 15-year period ending just before the CGT event;
- the asset was an active asset for at least 7½ years during the period you owned it; and
- at the time the CGT event happened you were either:
  - aged 55 years or more and the event happened in connection with your retirement; or
  - permanently incapacitated.

COVID-19 re-contribution

- Only available to taxpayers who received COVID-19 early release amounts from their superannuation fund in the 2019-20 and / or 2020-21 financial years
- Available to 30 June 2030
- Restricted to total COVID-19 early release amounts received, and not available for a tax deduction
- Excess COVID-19 re-contributions will count towards non-concessional contributions cap.

Downsizer contributions

- Limited to one contribution in a lifetime of up to $300,000 per person ($600,000 per couple) and not initially subject to total superannuation balance limit, but will count towards total superannuation balance in future financial years. Not indexed.
- Contribution will not count towards non-concessional contribution cap (unless not a valid downsizer contribution and accepted by fund) and is not tax deductible
- Contribution will count towards transfer balance cap
- Only available to taxpayers from age 55
- Proceeds must be of sale of home owned by taxpayer or spouse for 10 years or more, must be fully or partially capital gains tax (CGT) – exempt (not merely pre-CGT), and contribution must be made within 90 days of receiving the proceeds of sale.

Government co-contribution and low income superannuation tax offset

Contribution/offset	2024-25	2025-26
Government superannuation co-contribution[3]		
Maximum co-contribution[1]	$500	$500
Lower income threshold (p.a.)[2,4]	$45,400	$47,488
Upper income threshold (p.a.)[2,4]	$60,400	$62,488
Low income superannuation tax offset (LISTO)[1,5,6,7]		
Minimum LISTO	$10	$10
Maximum LISTO	$500	$500
LISTO income threshold (p.a.)	$37,000	$37,000

1. Set to SG from 2027-28 along with permanent alignment of the income threshold with the top of the second income tax bracket.
2. Lower threshold indexed to AWOTE in $5 increments.
3. Calculated as 50% of first $1,000 of non-concessional contributions. Reduction of 3.333c per $1 over lower threshold. Nil eligibility applies if over upper threshold, or if TSB greater than general transfer balance cap.
4. Assessed on total income = assessable income + reportable fringe benefits + reportable employer super contributions – assessable first home super saver (FHSS) released amounts – allowable business deductions.
5. Nil eligibility applies if over threshold.
6. Calculated as 15% of total concessional contributions up to maximum.
7. Assessed on adjusted taxable income = taxable income less assessable first home super saver (FHSS) released amounts + adjusted fringe benefits + reportable employer and deductible super contributions + certain tax-free government pensions or benefits + target foreign income + net financial and/or rental property losses - outgoing child support payments.

Superannuation spouse contribution tax offset

Thresholds	2024-25[2]	2025-26[2]
Maximum rebatable contribution (MRC)[3,4]	$3,000	$3,000
Spouse's assessable income[1] lower threshold	$37,000	$37,000
Spouse's assessable income[1] upper threshold	$40,000	$40,000

1. Spouse's assessable income (SAI) excludes any assessable first home super saver (FHSS) released amount but includes total reportable fringe benefits and reportable employer superannuation contributions.
2. Not indexed.
3. Nil eligibility applies if TSB greater than general transfer balance cap or if non-concessional contributions cap has been breached in the same financial year.
4. Maximum available offset set at 18% of total spouse contributions up to MRC, reducing at $1 for every $1 of SAI over the lower threshold. Eligibility reduced to nil where SAI is greater than the upper threshold.

2. Accessing super

Preservation age

Preservation age for men and women born on or after 1 July 1964 is 60.

Preservation applies to all superannuation contributions and earnings from 1 July 1999.

Conditions of release

Condition	Requirement	Amount and how paid
Preservation age or over and working	No work test	Transition to retirement income stream
Permanent retirement after preservation age	Must declare retiring – no intention of working again for more than 10 hours a week	Lump sum and / or income stream
Ceasing employment after age 60	Required to have left work	Lump sum and / or income stream
Reaching age 65		Lump sum and / or income stream
Death		Lump sum / income stream
Permanent incapacity	Two medical practitioners must certify member unlikely to ever work again in any occupation for which they are reasonably suited by education, training or experience	Lump sum and / or income stream
Terminal illness	Two medical practitioners must certify that the member has a terminal illness and cannot expect to live for more than 24 months	Lump sum
Temporary incapacity	Must be unable to perform the duties of their own job	Non-commutable income stream
Severe financial hardship	Under preservation age – must be on Commonwealth income support payments for at least 26 weeks and show cannot meet immediate family living expenses	Up to $10,000 (not indexed) in a 12 month period
	Over preservation age – must be on Commonwealth income support payments for 39 weeks and not employed more than 10 hours a week	No limit on what can be released
Compassionate grounds	Must have pressing family medical expenses, need to support disabled family member or facing foreclosure on home mortgage	Lump sum
First home super saver (FHSS) scheme	ATO approved request by member to access qualifying personal contributions and earnings	Lump sum

Condition	Requirement	Amount and how paid
Small accounts	Balance under $200 and ended employment relationship	Lump sum
Permanent overseas departure	When permanently departing Australia may be able access if worked on certain classes of temporary visa	Lump sum

First home super saver (FHSS) scheme

- From 1 July 2018, voluntary concessional and non-concessional contributions made after 30 June 2017 may be accessed as a lump sum
- Mandatory contributions such as SG contributions are not available
- Amount of contributions from each qualifying years limited to $15,000 (each) or $50,000 (total) (not indexed) in contributions, plus earnings relating to those contributions
- Application for FHSS amounts must be approved by a determination from the ATO prior to signing a contract for the purchase of a first home or application for release
- Applications for release of FHSS amounts are restricted to a lifetime limit of one, including cancelled requests.

Transfer balance cap

	2024-25	2025-26	Excess transfer balance tax
General transfer balance cap	$1,900,000	$2,000,000	15% – first assessment 30% – subsequent assessments
Defined benefit income cap	$118,750	$125,000	Payments from a taxed source taxed at marginal rate on 50% of payments over cap Payments from an untaxed source cannot use 10% tax offset for amounts over cap, and all amounts taxed at marginal rate

General transfer balance cap applies from 1 July 2021 to all taxpayers without personal transfer balance caps. Indexed to CPI in $100,000 increments. Personal transfer balance cap applies to taxpayers with existing personal transfer balance accounts.

Amounts above cap cannot be transferred from accumulation to retirement phase. Excess amounts must be withdrawn or transferred to accumulation phase. Excess transfer balance tax calculated on excess until it is withdrawn from retirement phase. TSB restrictions on NCC set to general transfer balance cap and calculated as at 30 June of previous financial year.

Defined benefit income cap applies from 1 July 2017. Equal to 1/16th of general transfer balance cap. Special rules apply to multiple retirement income sources.

Minimum income stream percentage factors

Age	Normal minimum percentage factors
Under 65	4.0%
65-74	5.0%
75-79	6.0%
80-84	7.0%
85-89	9.0%
90-94	11.0%
95 or older	14.0%

Pro-rata and 1 June rules apply.

Minimum income stream standards

Account based income stream payments			
Minimum payment	Account balance	X	Percentage factor
Maximum payment	No limit*		

Must make minimum payment at least annually. No payment required in first year if person commenced between 1 June and 30 June. Pro-rata applies to new income streams commenced after 1 July.

*Maximum 10% p.a. for 'transition to retirement' pensions.

Non-account based income streams (from 20 Sept 2007)			
Minimum payment^	Purchase price	X	Percentage factor

Must be paid annually.

^Minimum payment must ensure withdrawal value is equal to no more than 100% of the purchase price of the pension
OR
be a lifetime pension and have no residual capital and the first year pension equal to or more than the purchase price of the pension multiplied by respective percentage factor.

Existing income streams in place prior to 20 September 2007 are deemed to satisfy the minimum income stream requirements.

Taxation of superannuation benefits – lump sums

	Tax rates and thresholds 2024-25[1]	Tax rates and thresholds 2025-26[1]
Low rate cap[4]	$245,000	$260,000
Untaxed plan cap[4]	$1,780,000	$1,865,000
Tax-free component[2]	0%	0%
Taxable component – taxed element[3]		
Age 60 & over	0%	0%
Preservation age to 59		
• $0 to low rate cap	0%	0%
• Over low rate cap	15%	15%
Under preservation age	20%	20%
Departing Australia superannuation payment (DASP)[5]	35%	35%
Taxable component – untaxed element[3]		
Age 60 & over		
• $0 to untaxed plan cap	15%	15%
• Over untaxed plan cap	45%	45%
Preservation age to 59		
• $0 to low rate cap	15%	15%
• Low rate cap to untaxed plan cap	30%	30%
• Over untaxed plan cap	45%	45%
Under preservation age		
• $0 to untaxed plan cap	30%	30%
• Over untaxed plan cap	45%	45%
Departing Australia superannuation payment (DASP)[5]	45%	45%

1. Rates do not include Medicare levy.
2. Where benefits have been subject to tax in the fund, amounts are not assessable and are tax free.
3. If benefit paid has a taxable component with both a taxed and untaxed element, the low rate cap applies to the taxed element first.
4. Indexed to AWOTE in $5,000 increments.
5. Working holiday maker visa holders normally subject to tax at 65% on both taxed and untaxed elements of any taxable component. Working holiday makers from non-discrimination article (NDA) countries generally pay tax at the same rates as Australian nationals.

Taxation of superannuation benefits – income streams

	Maximum tax rate[1]
Tax-free component	0%[2, 3]
Taxable component – taxed element	
Age 60 & over	0%[2, 3]
Preservation age to 60	Marginal rate with 15% tax offset
Under preservation age	Marginal rate
Taxable component – untaxed element	
Age 60 & over	Marginal rate with 10% tax offset[4]
Age 59 & under	Marginal rate

1. Plus Medicare levy.
2. Where benefits have been subject to tax in the fund, amounts are not assessable and are tax free.
3. From 1 July 2017, if annual pension income from a defined benefit pension (tax-free component and taxable component – taxed element combined) exceeds the defined benefit income cap, 50% of excess will be included in assessable income.
4. From 1 July 2017, if annual pension income from a defined benefit pension from an untaxed source exceeds the defined benefit income cap, the 10% tax offset will not apply to the excess.
5. Where a defined benefit pension includes taxed and untaxed elements, the tax-free component and taxable component – taxed element will be assessed against the defined benefit income cap first.

Taxation of death benefits

	Maximum tax rate*
Lump sum – paid to dependent	0%*
Lump sum – paid to non-dependent	
Tax-free component	0%
Taxable component	
– Taxed element	15%
– Untaxed element	30%
Pension – deceased / primary beneficiary over 60	0%**
Pension – deceased / primary beneficiary under 60	
Tax-free component	0%**
Taxable component	Marginal tax rate
– Included in assessable income	Pension rebate of 15% for individuals between preservation age & 60

*Plus Medicare levy.

**Not assessable.

Death benefits dependants

Relationship to deceased	Superannuation dependant	Tax dependant	Eligible for income stream
Dependants in specified relationships			
Married/de facto spouses[1]	Yes	Yes	Yes
Child[2] under 18	Yes	Yes	Yes[4]
Child[2] 18 or older	Yes	Yes	No[4]
Non-dependants in specified relationships			
Former spouses[1, 3]	No	Yes	No
Child[2] 18 or older	Yes	No[6, 7]	No
Financial dependants or interdependants with no other relationship	Yes	Yes	No
Estate[5]	Yes	Yes[7]	No

1. Includes same and opposite sex spouses.
2. Children include biological, adopted children, ex-nuptial children, and generally include stepchildren if deceased was still in spousal relationship with biological parent. Care should be taken with other categories of stepchildren.
3. Trustee unlikely to approve benefit.
4. Income stream may be available to age 25 if financially dependent or if permanently disabled.
5. Subject to trustee discretion. Determination of tax payable on taxable component is the responsibility of the estate.
6. PAYG tax deducted by trustee.
7. Tax summary issued by trustee.

3. Taxation

Resident personal tax rates

Tax rates 2024-25 and 2025-26

Taxable income $	Marginal rate	Tax payable $
Up to 18,200	Nil	Nil
18,201 – 45,000	16%	16c for each $1 over 18,200
45,001 – 135,000	30%	4,288 plus 30c for each $1 over 45,000
135,001 – 190,000	37%	31,288 plus 37c for each $1 over 135,000
Excess over 190,000	45%	51,638 plus 45c for each $1 over 190,000

Rates do not include Medicare levy.

Tax rate for minors – unearned income

Income	Marginal rate
$0 – $416	Nil
$417 – $1,307	66%
Excess over $1,307	45% on all income

Earned income taxed at (adult) marginal rates.

Does not include excepted income.

Foreign resident personal tax rates

Tax rates 2024-25 and 2025-26

Taxable income $	Marginal rate	Tax payable $
Up to 135,000	30%	30c for each $1
135,001 – 190,000	37%	40,500 plus 37c for each $1 over 135,000
Excess over 190,000	45%	60,850 plus 45c for each $1 over 190,000

Medicare levy

Medicare levy set at 2.0% of taxable income[1]

	Low income threshold 2024-25	Phase-in limit 2024-25
Individual taxpayers	$27,222	$34,027
Thresholds if eligible for Senior and pensioners tax offset (SAPTO)	$43,020	$53,775[3]
Families[2]	$45,907	$57,383
Thresholds if eligible for SAPTO	$59,886	$74,857
Plus: child-student component per dependent	$4,216	$5,270

1. Taxpayers exempt if under low threshold, or non-residents. Levy phases in at 10 cents per dollar of taxable income up to the phase-in limit. Taxpayers earning more than the phase-in limit subject to levy at full rate.
2. Includes couples.
3. Entitlement to SAPTO for singles ceases when the rebate income reaches $52,759.

Medicare levy surcharge

Thresholds	2024-25	2025-26	Rate
Individual taxpayers			
Base tier	$0 - $97,000	$0 - $101,000	0%
Tier 1	$97,001 - $113,000	$101,001 - $118,000	1%
Tier 2	$113,001 - $151,000	$118,001 - $158,000	1.25%
Tier 3	$151,001 or more	$158,001 or more	1.5%
Families[1]			
Base tier	$0 - $194,000	$0 - $202,000	0%
Tier 1	$194,001 – $226,000	$202,001 – $236,000	1%
Tier 2	$226,001 - $302,000	$236,001 - $316,000	1.25%
Tier 3	$302,001 or more	$316,001 or more	1.5%

1. Threshold increased by $1,500 per child after the first. Single parents and couples (including de facto couples) subject to family tiers. Individual members of couples with combined income greater than thresholds do not have to pay the surcharge if taxable income 26,000 (2024-25 and 2025-26) or less.

Other tax rates

	2024-25	2025-26
Company		
• Aggregated turnover below $50 million	25%	25%
• Aggregated turnover $50 million or more	30%	30%
Superannuation fund[1]		
• Complying	15%	15%
• Exempt current pension income	0%	0%
• Non-complying	45%	45%
Insurance and friendly society bond	30%	30%

1. Additional tax on earnings of 15% or 25% attributable to TSB greater than $3 million or $10 million from 2026-27.

Tax offsets

Low income tax offset (LITO)

Taxable income $	Shade out rate per $1	Offset amount $
Up to 37,500		700
37,501 – 45,000	5c	700 minus 5c for each $1 above 37,500
45,001 – 66,667	1.5c	325 minus 1.5c for each $1 above 45,000

Not available for minors on unearned income.

Senior and pensioners tax offset (SAPTO)

	Max. rebate level $*	Shade-out threshold $	Cut-out threshold $
Single	2,230	34,919	52,759
Couple (each)	1,602	30,994	43,810
Couple (separated due to illness – each)	2,040	33,732	50,052

*Rebate reduces by 12.5c for each $1 of taxable income above the shade-out threshold

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Fringe benefits tax (FBT) rates and reporting

FBT years ending 31 March are used in this section unless otherwise indicated.

	FBT years 2018-2026
Fringe benefit provided	**Gross up rate**
Type 1 gross-up rate[1]	2.0802
Type 2 gross-up rate[2]	1.8868
FBT rate[3]	**47%**
Reportable fringe benefits	**Value**
Taxable value	>$2,000
Minimum grossed up value[4]	$3,773

1. Used if eligible for an input tax credit under the goods and services tax (GST) regime.
2. Used if not eligible for an input tax credit under the GST regime.
3. FBT rate is calculated on tax-inclusive value of fringe benefit provided in the year.
4. Reportable fringe benefits are grossed up using the lower gross-up rate when reporting on employees' income statements or payment summaries.

Luxury car tax (LCT) thresholds

Category	2024-25	2025-26
Fuel efficient vehicles[1]		
LCT threshold	$91,387	$91,387
Indexation factor	1.023	0.997
Other vehicles		
LCT threshold	$80,567	$80,567
Indexation factor	1.047	0.997

1. Fuel efficient vehicles are classed as fuel consumption that does not exceed 7L per 100km as a combined rating under the applicable vehicle standards.

Statutory fractions for car benefit valuation

- Flat statutory rate of 20% applies to all car fringe benefits provided from 1 April 2014.
- The statutory percentages for car fringe benefits below apply to pre-existing commitments prior to 7.30 pm AEST on 10 May 2011, or where there is a pre-existing commitment in place to provide the car after this time.

Annualised no. of whole kms	Rates for existing contracts
Less than 15,000	26%
15,000 to 24,999	20%
25,000 to 40,000	11%
More than 40,000	7%

FBT rates – vehicles other than cars

Engine Capacity	2024-25	2025-26
0 - 2,500 cc	66c/km	69c/km
Over 2,500 cc	77c/km	80c/km
Motorcycles	19c/km	20c/km

Deemed depreciation rate - cars

Date car purchased	2024-25	2025-26
Up to and including 30 June 2002	22.50%	22.50%
From 1 July 2002 to 9 May 2006	18.75%	18.75%
On or after 10 May 2006	25.00%	25.00%

Diminishing value depreciation rates are utilised for car fringe benefits valued under the operating cost method. Depreciation is calculated based on the depreciated value of the car, determined by the car's cost if acquired during the year or its depreciated value if it was held at the beginning of the year. The cost of the car, for these purposes, refers to the complete cost of the vehicle and is not subject to the motor vehicle depreciation cost limit.

Miscellaneous FBT rates and thresholds

Threshold/rate	2024-25	2025-26
Car parking threshold	$10.77	$11.03
FBT statutory or benchmark interest rate	8.77%	8.62%
Record keeping exemption threshold	$10,334	$10,664

Housing indexation by state and territory

State/territory	2024-25	2025-26
New South Wales	1.073	1.076
Victoria	1.050	1.066
Queensland	1.085	1.076
South Australia	1.063	1.060
Western Australia	1.084	1.100
Tasmania	1.022	0.988
Northern Territory	1.055	1.031
Australian Capital Territory	1.038	1.010

Reasonable food and drink amounts for employees

Living away from home allowance (LAFHA) - Australia

2024-25:LAFHA=166(A+1)+83B
2025-26:LAFHA=171(A+1)+86B

Where:

LAFHA = LAFHA amount[1] for year referred to

A = Number of adults (persons aged 12 and over)

B = Number of children under 12

1. Weekly amount considered to be reasonable **total** food and drink amounts (including amounts allowed for home consumption) for a living-away-from-home allowance (LAFHA) paid to employees living away from home within Australia.

Living away from home allowance (LAFHA) – overseas

Cost Group[1]	FBT years 2022-25[2]	FBT year 2025-26[2]
1	$137	$173
2	$201	$237
3	$273	$319
4	$346	$392
5	$437	$528
6	$537	$656

1. Cost groups based on overseas location.
2. Weekly reasonable amounts considered to be reasonable food and drink amounts for a LAFHA paid to a single adult employee living away from home outside of Australia is multiplied by a factor if employee is accompanied by family members, calculated using the formula below:

Factor=0.5A+0.25B+1

Where:

Factor = Factor to be applied if employee accompanied by family members

A = Number of adults (persons aged 12 and over) after the first

B = Number of children under 12

Capping of concessional FBT treatment for certain employers

Employer type	2024-25	2025-26
Public benevolent institution (other than public hospitals) and health promotion charities		
FBT exemption cap	$30,000	$30,000
Public hospitals, not-for-profit hospitals and public ambulance services		
FBT exemption cap	$17,000	$17,000
Rebatable employers – certain registered charities, non-government and not-for-profit organisations		
FBT rebate cap	$30,000	$30,000
FBT rebate rate	47%	47%

1. Subject to limit of $5,000 on salary packaged meal entertainment and entertainment facility leasing expense benefits.

Termination payments

Employment termination payment

	2024-25	2025-26	Maximum tax rate[1]
Whole-of-income cap[2]	$180,000	$180,000	n/a
Eligible termination payment (ETP) cap[3]	$245,000	$260,000	n/a
Tax-free component			0%
Taxable component – death benefits			
Death benefit payments to dependents	$0 – ETP cap Over ETP cap	$0 – ETP cap Over ETP cap	0% 47%
Death benefit payments to non-dependents	$0 – ETP cap Over ETP cap	$0 – ETP cap Over ETP cap	32% 47%
Taxable component – life benefits[4,5,6]			
Payments under preservation age	$0 – relevant cap Over relevant cap	$0 – relevant cap Over relevant cap	0% 47%
Preservation age or over	$0 – relevant cap Over relevant cap	$0 – relevant cap Over relevant cap	32% 47%
All ages	Balance over relevant cap	Balance over relevant cap	47%

1. Plus Medicare levy.
2. Not indexed, applies from 2012-13 onwards
3. Indexed to AWOTE in $5,000 increments
4. ETP cap applies to excluded payments, including:
   a. early retirement scheme
   b. genuine redundancy
   c. invalidity
   d. compensation for personal injury, unfair dismissal, harassment or discrimination.
5. Lesser of ETP cap and whole-of-income cap applies to non-excluded payments, including:
   a. golden handshake
   b. gratuities
   c. payment in lieu of notice
   d. payment for unused sick leave
   e. payment for unused rostered days off.
6. Multiple payments for the same termination may affect which cap is to be used, excluded payments to be used first (see footnote 4).

Non-ETP lump sum payments

	Period of accrual	Assessable amount	Max. tax rate*
Unused long service leave	Pre 16/8/78	5%	Marginal rate
	16/5/78 – 17/8/93	100%	Offset limit to maximum 30%
	Post 17/8/93	100%	Marginal rate
Accrued annual leave	Pre 18/8/93	100%	30%
	Post 17/8/93	100%	Marginal rate

*Tax rates excludes Medicare levy.

Bona fide redundancy and approved early retirement scheme payments

	Period of accrual	Assessable amount	Max. tax rate*
Unused long service leave	Pre 16/8/78	5%	Marginal rate
	Post 15/8/78 – Pre 18/8/93	100%	Offset limit to maximum 30%
	Post 17/8/93	100%	Maximum 30%
Accrued annual leave	Full period	100%	30%

Bona fide redundancy tax-free amount: $12,524 + $6,264 for each completed year of service (2024-25) and $13,100 + $6,552 for each completed year of service (2025-26).

*Excludes Medicare levy.

Life expectancy tables 2015-2017

Age	Life expectancy (yrs)		Age	Life expectancy (yrs)	
	Male	Female		Male	Female
41	41.16	44.71	71	15.14	17.35
42	40.22	43.75	72	14.39	16.53
43	39.29	42.79	73	13.66	15.73
44	38.35	41.83	74	12.95	14.93
45	37.43	40.88	75	12.25	14.15
46	36.50	39.92	76	11.57	13.39
47	35.58	38.97	77	10.90	12.64
48	34.66	38.03	78	10.25	11.90
49	33.75	37.08	79	9.63	11.18
50	32.84	36.14	80	9.02	10.49
51	31.93	35.21	81	8.44	9.81
52	31.03	34.27	82	7.89	9.16
53	30.13	33.34	83	7.36	8.54
54	29.24	32.42	84	6.86	7.94
55	28.35	31.49	85	6.39	7.37
56	27.47	30.57	86	5.95	6.83
57	26.60	29.66	87	5.54	6.32
58	25.73	28.75	88	5.16	5.84
59	24.87	27.84	89	4.81	5.40
60	24.02	26.93	90	4.50	4.99
61	23.17	26.03	91	4.22	4.61
62	22.33	25.14	92	3.96	4.28
63	21.50	24.24	93	3.72	3.97
64	20.67	23.36	94	3.50	3.69
65	19.86	22.47	95	3.29	3.43
66	19.04	21.60	96	3.11	3.18
67	18.24	20.73	97	2.93	2.94
68	17.45	19.87	98	2.77	2.73
69	16.67	19.02	99	2.62	2.53
70	15.90	18.18	100	2.49	2.36

Applies to payments commenced on or after 1/1/2020. Based on 2015-2017 life tables published by the Australian Government Actuary.

4. Social security age pension

Eligibility age

Age pension eligibility age is 67

Means testing of assets and income applies

Pension rates

	Max. benefit (per fortnight)*	Max. benefit (per annum)*
Single	$1,100.30	$28,607.80
Couple (each)	$829.40	$21,564.40
Couple separated due to illness (each)	$1,100.30	$28,607.80

*Excludes the Pension Supplement - $86.50 (singles) and $65.20 (couples) per fortnight – can elect to receive as a quarterly payment. Also excludes Energy Supplement – $14.10 (singles) and $10.60 (couple, each).

Income test

	Income threshold* (per fortnight)	Income cut-out** (per fortnight)
Single	Up to $218	Less than $2,619.80
Couple (combined)	Up to $380	Less than $4,000.80
Couple separated due to illness (combined)	Up to $380	Less than $5,183.60

Income includes reportable super contributions and net investment losses.

Exempt from income test if permanently blind and receive Age Pension or Disability Support Pension (DSP).

*Fortnightly pension reduced by 50c (single) or 25c (couple, each) for each dollar over the threshold.

**Payment rates may be higher if also receiving Rent Assistance with the pension payment.

Age Pension will be suspended for up to two years in the event that employment income (not including self-employed income) exceeds the income cut-out amount for six fortnights in a row. Age Pension payments will be reduced to $0 if employment income exceeds the income cut-out amount in a single fortnight. This may also affect partner's Age Pension, Disability Support Pension or Carer Payment if applicable and is subject to the Work Bonus. Department of Veterans Affairs payments may be affected as well. Pensioner concession cards and associated benefits will not be affected for up to two years.

Work Bonus

First $300 of employment income earned each fortnight exempt from the income test.

Any unused amount earned between $0 and $300 is added to the Work Bonus balance. From 1 July 2024 the maximum balance limit has increased from $7,800 to $11,800, including the one-off $4,000 work bonus credit.

This can be used to offset any future employment income earned in a single fortnight above $300.

Assets test

Homeowner	Lower limit*	Upper limit#
Single	Up to $321,500	Less than $722,000
Couple	Up to $481,500	Less than $1,085,000
Couple separated by illness (combined)	Up to $481,500	Less than $1,282,500
One partner eligible	Up to $481,500	Less than $1,085,000
Non-homeowner	**Lower limit***	**Upper limit#**
Single	Up to $579,500	Less than $982,000
Couple	Up to $739,500	Less than $1,343,000
Couple separated by illness (combined)	Up to $739,500	Less than $1,540,500
One partner eligible	Up to $739,500	Less than $1,343,000

*From 1 January 2017, rate of pension reduces by $3.00 per fortnight for every $1,000 above lower limit.

#Limits may increase if you receive Rent Assistance with pension payment.

Extra allowable amount for retirement village and granny flat residence

Extra allowable amount*
$258,000

*Amount equal to difference between the non-homeowner and homeowner assets test limits.

If entry contribution is equal to or less than the extra allowable amount at the time of entry, then assessed as a non-homeowner. Entry contribution will count as an asset.

May also quality for Rent Assistance.

Deeming rates

	Financial investment	Deeming rate
Single (Pension or allowance)	$0 – $64,200 Balance	0.75% 2.75%
Couple – combined (Pensioner)	$0 – $106,200 Balance	0.75% 2.75%
Couple – for each allowee (Neither is pensioner)	$0 – $53,100 Balance	0.75% 2.75%

From 1 January 2023, proceeds from the sale of the family home intended for a new family home will be deemed at the lower rate. Additional sale proceeds will be assessed at the regular deeming rate.

Home Equity Access Scheme

(formerly known as Pension Loans Scheme)

- Loan paid in regular fortnightly instalments
- Loan amount depends on property value offered as security, equity to retain and age at time loan is granted
- Compounding interest charged on the balance of the loan and calculated on a fortnightly basis
- Can receive up to 1.5 times maximum amount of Age Pension including Pension Supplement and Rent Assistance each fortnight
- Interest rate reduced to 3.95% from 1 January 2022 and applies to all Home Equity Access Scheme loans.

Age Pension – Transition Rules

Pension rates

	Max. benefit $ (per fortnight)*	Max. benefit $ (per annum)*
Single	$963.60	$25,053.60
Couple (each)	$778.20	$20,233.20

*Excludes Energy Supplement – $14.10 (singles) and $10.60 (couples, each).

Income test

	Income threshold* (per fortnight)	Income cut-out** (per fortnight)
Single	Up to $218	Less than $2,662.25
Couple (combined)	Up to $380	Less than 4,324.00
Couple separated due to illness (combined)	Up to $380	Less than $5,268.50

Allowable income increased by up to $24.60/dependent child.

*Transitional / saved cases, pension reduced by 40c (single) and 40c (couple).

**Payment rates may be higher if also receive Rent Assistance with the pension payment.

Assets test

Homeowner	Lower limit	Upper limit#
Single	Up to $321,500	Less than$641,500
Couple	Up to $481,500	Less than $998,000
Couple separated by illness (combined)	Up to $481,500	Less than $1,121,500
One partner eligible	Up to $481,500	Less than $998,000
Non-homeowner	**Lower limit**	**Upper limit#**
Single	Up to $579,500	Less than $899,500
Couple	Up to $739,500	Less than $1,256,000
Couple separated by illness (combined)	Up to $722,000	Less than $1,379,500
One partner eligible	Up to $739,500	Less than $1,256,000

#From 20 September 2023, transitional rate pensions cancel when your assets are over the cut off point. For couples, the limit is for both of your assets combined. Limits may increase if you receive Rent Assistance with pension payment.

Social security – fringe benefits

Commonwealth Seniors Health Card

To qualify must:

- have reached pension age but not qualify for the Age Pension (or other certain pensions)
- be an Australian resident living in Australia
- have an annual adjusted taxable income below the income test threshold, where adjusted taxable income = taxable income + foreign income (where no Australian income tax is paid) + net investment losses + employer provided benefits (in excess of $1000) + reportable super contributions.

	Income test*
Single	$101,105
Couples	$161,768
Couples separated by illness – combined	$202,210

*Limit increased by $639.60 for each dependent child.

Liquid assets waiting period

	Threshold (equal of exceeds)
Single (no children)	$5,500
Single (with children)	$11,000
Partnered	$11,000

*Liquid assets waiting period of between 1-13 weeks applicable if have a certain amount of available assets on the date after left work or study, or on the day claim an income support payment.

**Applicable to JobSeeker Payment, Youth Allowance and Austudy.

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