

This guide is the initiative of the CPA Australia Retirement Savings Centre of Excellence. Information is current – based on legislation as at 1 July 2014.

TAX RATES

RESIDENT PERSONAL TAX RATES 1/7/14 – 30/6/15

TAXABLE INCOME \$	MARGINAL RATE	TAX PAYABLE \$
Up to 18,200	Nil	Nil
18,201 – 37,000	19%	19c for each \$1 over 18,200
37,001 – 80,000	32.5%	3,572 plus 32.5c for each \$1 over 37,000
80,001 – 180,000	37%	17,547 plus 37c for each \$1 over 80,000
Excess over 180,000	45%	54,547 plus 45c for each \$1 over 180,000

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	

NON-RESIDENT PERSONAL TAX RATES 1/7/14 – 30/6/15

TAXABLE INCOME \$	MARGINAL RATE	TAX PAYABLE \$
Up to 80,000	32.5%	32.5c for each \$1 over
80,001-180,000	37%	26,000 plus 37c for each \$1 over 80,000
Excess over \$180,000	45%	63,000 plus 45% for each \$1 over \$180,000

TEMPORARY BUDGET REPAIR LEVY

- Applies to resident and non- resident individual taxpayers, with a taxable income of more than \$180,000 per year.
- Levy is 2% of each dollar over taxable income of \$180,000.
- Will cease to apply from 1 July 2017.

MEDICARE LEVY

2.0% of taxable income – not applicable to:

- Non-residents
- Individual taxpayers where taxable income is under the 'threshold amount' - \$20,542 (2013/14)
- Married taxpayers where family income is under the 'family income threshold' - \$40,431 + \$3,713 for ea. Dependent child/student (2013/14)
- Individual taxpayers eligible for SAPTO where taxable income is under \$32,279
- Married taxpayer eligible for SAPTO where family income is under \$54,117 + \$3,713 for ea. Dependent child/student (2013/14)

Medicare levy shaded in where taxable income is above the threshold limits.

MEDICARE LEVY SURCHARGE

	TAXABLE INCOME (\$) SINGLE	TAXABLE INCOME (\$) FAMILIES*^	SURCHARGE
Tier 1	90,001 -105,000	180,001-210,000	1.0%
Tier 2	105,001 -140,000	210,001-280,000	1.25%
Tier 3	Over 140,000	Over 280,000	1.5%
* Threshold increased by \$1,500 per child after the first ^ Single parents and couples (including de facto couples) subject to family tiers			

OTHER TAX RATES

	MARGINAL RATE
Company	30%
Superannuation fund:	
• Complying	15%
• Non-complying	45%
Insurance and Friendly Society Bonds	30%

TAX OFFSETS

LOW INCOME TAX OFFSET (LITO)

	MAX. REBATE LEVEL \$*	SHADE-OUT THRESHOLD \$	CUT-OUT THRESHOLD \$
Low income earner	445	37,000	66,667
* Reduced by 1.5c for each \$1 of taxable income over \$37,000. Tax free threshold effectively \$20,542. 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	32,279	50,119
Couple (each)	1,602	28,974	41,790
Couple (separated due to illness – each)	2,040	31,279	47,599
* Rebate reduces by 12.5c for each \$1 of taxable income above the shade-out threshold.			

SUPERANNUATION SPOUSE CONTRIBUTION TAX OFFSET

SPOUSE ASSESSABLE INCOME (SAI)	MAX. REBATABLE CONTRIBUTION (MRC)\$	MAX. REBATE \$ (18% OF THE LESSER OF)
0 – 10,800	3,000	MRC or actual contribution
10,801 – 13,799	3,000 – (SAI – 10,800)	MRC or actual contribution
13,800+	Nil	Nil

* Includes reportable fringe benefits + reportable employer super contributions

FRINGE BENEFITS TAX

FRINGE BENEFITS TAX RATE (FBT YEAR END 31 MARCH 2014)

FRINGE BENEFIT PROVIDED	GROSS-UP RATE
After 30/6/00 which have been eligible to an input tax credit under GST regime	2.0647
Does not attract an input tax credit	1.8692

FBT Rate is 46.5% and calculated on tax-inclusive value of fringe benefit provided in the year.

STATUTORY FRACTIONS FOR CAR BENEFIT VALUATION

- Flat statutory rate of 20% applies (subject to transitional rules), regardless of distance travelled, to all car fringe benefits provided after 7.30pm AEST on 10 May 2011.
- The statutory percentages for car fringe benefits below apply to pre-existing commitments prior to 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	EXISTING CONTRACTS
Less than 15,000	.26
15,000 to 24,999	.20
25,000 to 40,000	.11
More than 40,000	.07

TRANSITIONAL ARRANGEMENTS AND RATES

- Apply to any new commitments entered into from 10 May 2011
- Where there is a change to pre-existing commitment these transitional arrangements will also apply.

STATUTORY %				
ANNUALISED NO. OF WHOLE KMS	FROM 10 MAY 2011	FROM 1 APRIL 2012	FROM 1 APRIL 2013	FROM 1 APRIL 2014
Less than 15,000	.20	.20	.20	.20
15,000-25,000	.20	.20	.20	.20
25,000-40,000	.14	.17	.20	.20
Over 40,000	.10	.13	.17	.20

EMPLOYMENT TERMINATION PAYMENTS

	THRESHOLDS	MAXIMUM TAX RATE*	CAP TO APPLY
Life benefit ETP Tax free component		0%	
Life benefit ETP Taxable component			
Under preservation age	\$0-\$185,000 [^]	30%	ETP cap
Preservation age or over	\$0-\$185,000	15%	ETP cap
All ages	Balance over ETP cap	45%	ETP cap
Payment is because of:			
• early retirement scheme			
• genuine redundancy			
• invalidity			
• compensation for personal injury, unfair dismissal, harassment or discrimination.			
Life benefit ETP Taxable component			
Under preservation age	\$0-\$185,000 [^]	30%	Lesser of ETP cap and whole-of-income cap
Preservation age or over	\$0-\$185,000	15%	
All ages	Balance over ETP cap	45%	
Payment is because of:			
• golden handshake			
• gratuities			
• payment in lieu of notice			
• payment for unused sick leave			
• payment for unused rostered days off.			

* Plus Medicare Levy (2%)
[^] Indexed to AWOTE, increase in \$5,000 increments.
 Whole-of-income cap for 2012-2013 & onwards is \$180,000 (not indexed).

DEATH BENEFIT EMPLOYMENT TERMINATION PAYMENTS

	THRESHOLDS	MAXIMUM TAX RATE*
Dependent	\$0-\$185,000 [^]	0%
Tax free component	Balance	0%
Taxable component		45%
Non-dependent	\$0-\$185,000 [^]	0%
Tax free component	Balance	30%
Taxable component		45%

* Plus Medicare Levy (2%)
[^] Indexed to AWOTE, increase in \$5,000 increments.
 Applies regardless whether deceased would have qualified for the transitional arrangements between 1 July 2007 and 30 June 2012.

OTHER TERMINATION PAYMENTS 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%	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 15/8/93	100%	30%
Accrued Annual Leave	Full Period	100%	30%

Bona fide redundancy Tax-Free Amount: \$9,514 + \$4,758 for each completed year of service (2014/2015)
* Excludes Medicare Levy

LIFE EXPECTANCY TABLES 2005-2007

AGE	LIFE EXPECTANCY (YRS)		AGE	LIFE EXPECTANCY (YRS)	
	MALE	FEMALE		MALE	FEMALE
55	26.95	30.53	73	12.64	15.03
56	26.08	29.61	74	11.96	14.27
57	25.20	28.70	75	11.31	13.51
58	24.34	27.79	76	10.68	12.78
59	23.48	26.89	77	10.07	12.05
60	22.63	26.00	78	9.48	11.35
61	27.79	25.11	79	8.92	10.67
62	20.96	24.23	80	8.38	10.01
63	20.14	23.35	81	7.86	9.37
64	19.34	22.48	82	7.36	8.75
65	18.54	21.62	83	6.89	8.17
66	17.76	20.76	84	6.45	7.61
67	16.99	19.92	85	6.03	7.08
68	16.24	19.08	86	5.64	6.58
69	15.49	18.24	87	5.27	6.11
70	14.76	17.42	88	4.94	5.68
71	14.04	16.61	89	4.63	5.28
72	13.33	15.82	90	4.36	4.91

* Apply from 1 January 2010

AGE PENSION QUALIFICATION

DATE OF BIRTH	ELIGIBLE FOR AGE PENSION AT AGE	
	WOMEN	MEN
1 January 1946 – 30 June 1947	64.5	65
1 July 1947 – 31 December 1948	64.5	65
1 January 1949 – 30 June 1952	65	65
1 July 1952 – 31 December 1953	65.5	65.5
1 January 1954 – 30 June 1955	66	66
1 July 1955 – 31 December 1956	66.5	66.5
1 January 1957	67	67

Budget proposal is to continue increasing the Age Pension age by six months every two years from 1 July 2025 until reaches age 70.

PENSION RATES

	MAX. BENEFIT \$ (PER FORTNIGHT)*	MAX. BENEFIT \$ (PER ANNUM)*
Single	776.70	20,194.20
Couple (each)	585.50	15,223
Couple separated due to illness (each)	776.70	20,194.20

* Excludes the Pension Supplement - \$63.50 (singles) and \$47.90 (couples) per fortnight – can elect to receive as a quarterly payment.
Also excludes Clean Energy Supplement - \$14.10 (singles) and \$10.60 (couple, each).

INCOME TEST

	INCOME THRESHOLD* (PER FORTNIGHT)	INCOME CUT-OUT** (PER FORTNIGHT)
Single	Up to \$160	Less than \$1,868.60
Couple (combined)	Up to \$284	Less than \$2,860
Couple separated due to illness (combined)	Up to \$284	Less than \$3,701.20

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 receive Rent Assistance with the pension payment

Work Bonus

- First \$250 of employment income earned each fortnight exempt from the income test.
- Any unused amount earned between \$0 and \$250 is added to the Work Bonus balance, up to \$6,500.
- This can be used to offset any future employment income earned in a single fortnight above \$250.

ASSETS TEST

	LOWER LIMIT*	UPPER LIMIT#
HOMEOWNER		
Single	Up to \$202,000	Less than \$771,750
Couple	Up to \$286,500	Less than \$1,145,500
Couple separated by illness (combined)	Up to \$286,500	Less than \$1,426,0500
One partner eligible	Up to \$286,500	Less than \$1,145,000
NON – HOMEOWNER		
LOWER LIMIT*		
UPPER LIMIT#		
Single	Up to \$348,500	Less than \$918,250
Couple	Up to \$433,000	Less than \$1,292,000
Couple separated by illness (combined)	Up to \$433,000	Less than \$1,572,500
One partner eligible	Up to \$433,000	Less than \$1,292,000

* Rate of pension reduces by \$1.50 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*	\$146,500
* Amount equal to different 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 qualify for Rent Assistance.	

DEEMING RATES

	FINANCIAL INVESTMENT	DEEMING RATE
Single (Pension or allowance)	\$0-\$48,000 Balance	2% 3.5%
Couple – combined (Pensioner)	\$0-\$79,600 Balance	2% 3.5%
Couple – for each allowee (Neither is Pensioner)	\$0-\$39,800 Balance	2% 3.5%

PENSION LOAN SCHEME

- Loan paid in regular fortnightly instalments.
- Loan amount depends on property value offered as security, equity to retain & 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 max. amount of Age Pension including Pharmaceutical Allowance and Rent Assistance each fortnight.

PENSION BONUS SCHEME

YEARS IN THE SCHEME	SINGLE MAX. RATE	PARTNERED (EACH) MAX. RATE
1 year	\$1,952.30	\$1,475.90
2 years	\$7,809.10	\$5,903.70
3 years	\$17,570.40	\$13,283.40
4 years	\$31,236.30	\$23,614.90
5 years	\$48,806.70	\$36,898.30

- Closed to new entrants 20 Sept 2009 (unless qualified for Age Pension before this), subject to eligibility tests e.g. work test.
- Paid as a lump sum, dependent upon how much Age Pension entitled to and time in scheme.

AGE PENSION – TRANSITION RULES**PENSION RATES**

	MAX. BENEFIT (PER FORTNIGHT)*\$	MAXIMUM BENEFIT (PER ANNUM)*\$
Single	\$706.80	\$18,376.80
Couple (each)	\$570.80	\$14,840.80

* Excludes Clean Energy Supplement - \$14.10 (singles) and \$10.60 (couples, each).

INCOME TEST

	INCOME THRESHOLD* (PER FORTNIGHT)	INCOME CUT-OUT** (PER FORTNIGHT)
Single	Up to \$160	Less than \$1,962.25
Couple (combined)	Up to \$284	Less than \$3,191.00
Couple separated due to illness (combined)	Up to \$284	Less than \$3,888.50

Allowable income increased by up to \$24.60/dependent child.
* Transitional/saved cases, pension reduced by 40c (single) and 20c (couple).
**Payment rates may be higher if also receive Rent Assistance with the pension payment.

ASSETS TEST

	LOWER LIMIT*	UPPER LIMIT#
HOMEOWNER		
Single	Up to \$202,000	Less than \$682,750
Couple	Up to \$286,500	Less than \$1,062,000
Couple separated by illness (combined)	Up to \$286,500	Less than \$1,248,000
One partner eligible	Up to \$286,500	Less than \$1,062,000
NON-HOMEOWNER		
LOWER LIMIT*		
UPPER LIMIT#		
Single	Up to \$348,500	Less than \$829,250
Couple	Up to \$433,000	Less than \$1,208,500
Couple separated by illness (combined)	Up to \$433,000	Less than \$1,394,500
One partner eligible	Up to \$433,000	Less than \$1,208,500

*Rate of pension reduces by \$1.50/fortnight for every \$1,000 above lower limit.
#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	\$51,500
Couples	\$82,400
Couples separated by illness – combined	\$103,000
* Limit increased by \$639.60 for each dependent child the individual cares for.	

The Commonwealth Seniors Health Care Card also provides access to the Seniors Supplement.

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 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 Newstart Allowance, Youth Allowance, Sickness Allowance and Austudy.	

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