

Key Tax and Superannuation Tables for 2014/15

Resident Personal Marginal Tax Rates

Personal tax rates for 2014/15 are set out in the table below.

Income	Tax Rate
\$0 - \$18,200	0%
\$18,201 - \$37,000	19% over \$18,200
\$37,001 - \$80,000	\$3,572 + 32.5% over \$37,000
\$80,001 - \$180,000	\$17,547 + 37% over \$80,000
\$180,000+	\$54,547 + 45% over \$180,000

Medicare levy increases from 1.5% to 2% of income to fund DisabilityCare Australia from July 2014. In addition, the 2014 budget introduced a 2% Budget Repair Levy for individuals earning over \$180,000 for the next three financial years.

Superannuation Contribution Eligibility

There is no requirement to work before making a superannuation contribution for people under age 65. The *work test* for people over age 65 requires that the person must have undertaken paid work for a period of at least 40 hours over any 30 consecutive days during the financial year.

Concessional Superannuation Contribution Rates

This includes SGC, salary sacrifice and personal deductible contributions.

Changing Concessional Cap	2012/13	2013/14	2014/15
General concessional cap	\$25,000	\$25,000	\$30,000
Concessional cap – aged over 49 to 59	\$25,000	\$25,000	\$35,000
Concessional cap – aged over 59	\$25,000	\$35,000	\$35,000

The normal rate of tax is 15% on these contributions, with **people earning over \$300,000 are subject to an additional 15% contributions tax.**

“Over 49” means the person had their birthday on or before the last day of previous financial year.

Non-concessional Superannuation Contribution Rates

No immediate tax benefit is claimed, and no contributions tax is payable.

Under Age 65	Over Age 65
The “bring forward” rule is available to use up to 3 years of non-concessional contribution entitlements in one year. The maximum is now \$540,000 (3 X \$180,000) over a 3-year period.	From July 2014, the limit becomes \$180,000 per financial year after meeting the work test.



Account-Based Pensions

Formerly called allocated pensions, account-based pensions can only be purchased through rollover from a superannuation account.

Account-based pensions must pay at least a minimum level of income each financial year to the account-holder. The level is determined by the age and account balance of the holder as at 1 July each year. The minimum pension payment levels are in the table below.

Age	Minimum in 2014/15
Under 65	4%
65-74	5%
75-79	6%
80-84	7%
85-89	9%
90-94	11%
95 and over	14%

Pension income payments are entirely free of tax for recipients over age 60.

For people under age 60, pension income is fully assessable less any tax-free component and a 15% tax rebate on the taxable component. These calculations need to be completed for each person to assess the merits of a pension strategy in this age group.

More Information

Please don't hesitate to contact the Hub Wealth Management team if you would like to discuss your own circumstances and portfolio with us.

Please call us on 02 9279 3400 or email us through our website at www.hubwealth.com.au

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