



## Super Changes in Detail

On 15<sup>th</sup> September 2016, the Federal Government announced significant changes to the proposed superannuation reforms announced earlier this year on Budget night.

In summary, the following proposed changes were announced:

- The proposed lifetime cap of \$500,000 per person for non-concessional contributions will not go ahead.
- From 1<sup>st</sup> July 2017, there will be an annual non-concessional contribution cap of \$100,000 (reduced from the current annual cap of \$180,000) and if you are under the age of 65, you will still be able to use the 3-year bring forward provision (i.e. up to \$540,000).
- From 1<sup>st</sup> July 2017, only those with a superannuation account balance below \$1.6 million (assessed as at the previous 30<sup>th</sup> June) will be able to make non- concessional contributions.
- The Government will retain the existing requirement that you must meet a work test to be able to contribute to super between ages 65 and 74 (they had originally proposed to remove this requirement).
- There are no changes to the proposals around concessional contributions (including lowering the cap to \$25,000) other than delaying the “catch-up” opportunity for those with less than \$500,000 in super by 12 months to a 1<sup>st</sup> July 2018 commencement.

It's important to be aware these proposed changes are not yet law but are expected to be introduced into Parliament by the end of 2016. There is likely to be a consultation draft released prior to that which is expected to have more detail on the changes.

Please contact a member of the Team at Sterling Planners on 1300 132 737 if you have questions.