

AVOID SUPER CONFUSION



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As part of the 2016 Federal Budget, the Federal Treasurer announced the most significant changes to Australia's superannuation system in ten years. A number of key changes apply from 1 July 2017, and therefore it is a good time to consider the impact of these changes on you, your family and your business...

CONTRIBUTION LIMITS

Superannuation has generally been considered by many taxpayers as a tax effective vehicle for wealth accumulation. The Government has noted this, and from 1 July 2017 it will be more difficult for taxpayers to boost their super.

From 1 July 2017, members with a balance over \$1.6 million (tested on 30 June of the prior financial year) will not be able to make non concessional contributions. Even where this \$1.6 million threshold is not exceeded, non concessional contribution limits will decrease from 1 July 2017. Concessional contribution limits will also decrease from this date.

TAX FREE PENSION BALANCE - AKA THE TRANSFER

BALANCE CAP

From 1 July 2017, the maximum a member can have in tax free pension phase is \$1.6 million, otherwise extra taxes and penalties can apply.

CAPITAL GAINS TAX (CGT)

Where a super fund is affected by the new pension limit or is providing a Transition to Retirement Income Stream, CGT should be considered.

ESTATE PLANNING

The new rules may also have ramifications for estate planning. Therefore it is prudent to consider reviewing your particular circumstances.

NEXT STEPS

All of these considerations represent just a portion of the issues to be considered! The super reforms are lengthy and complex. Fordham is here to help, so if you have any queries please do not hesitate to contact your [Fordham Partner](#) for an appointment with us and an appropriately qualified Advisor to assist with your superannuation, wealth management and estate planning requirements.

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