Fact Sheet

Tax And Super Changes To Let Your Employees Know About

On 1 July 2017, Federal Government changes to tax and super contributions will affect some of your employees. Here are some answers to questions your employees may ask about them — particularly if you are a payroll administrator.

**QUESTION 1 - Are they making, or planning to make, additional super contributions?**

* **No** - Continue to Q2.
* **Yes** - Refer to the table below.

**Before tax**

* + Before tax contributions are now capped at $25k regardless of age.
  + For high income earners — defined as $250k+ — before tax contributions are subject to additional tax.

**Note:**  
These contributions include your superannuation guarantee payments.

**After tax**

* + After tax contributions — previously capped at $180k — are now capped at $100k.

**QUESTION 2 - Do they earn $180k+?**

* **No** - Continue to Q3.
* **Yes** - They are no longer subject to the 2% tax associated with the Budget Repair Levy.

**QUESTION 3 - Would they like to make salary sacrifice contributions and claim them as a tax deduction?**

* **Yes** - If you do not offer this service to your employees, they can now make contributions to their super directly and claim the deduction on their tax return. Visit <ato.gov.au> for more information.

**QUESTION 4 -** Have they reached their preservation age and would like to access their super?

* **Yes** - Speak to HESTA.
* **No** - Just a reminder that the preservation age is now 57, which applies to people born between 1 July 1961 and 30 June 1962.

Further preservation age definitions:

**Date of birth vs Preservation age (years)**

* + Before 1 July 1960 = 55
  + 1 July 1960 to 30 June 1961 = 56
  + 1 July 1961 to 30 June 1962 = 57
  + 1 July 1962 to 30 June 1963 = 58
  + 1 July 1963 to 30 June 1964 = 59
  + After 30 June 1964 = 60

For more information on the above changes, visit <hesta.com.au/knowitall> or <ato.gov.au>

**Disclaimer:**

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