



8 QUICK THINGS YOU NEED TO KNOW ABOUT THE NEW SUPERANNUATION RULES

Disclaimer

Please keep in mind that any advice in this show is general in nature and doesn't necessarily relate to your personal circumstances. If you would like to discuss anything you can get in touch with us on 1300 623 863 or contact@nucleuswealth.com.

Super Guarantee (SG) increase to 10.5%

- Did you get a pay rise?
- Total package
- Good for most employees
- Not so good for business
- Legislated to go up to 12% 1st July 2025
- Review Salary Sacrifice agreements

The monthly income threshold of \$450 to receive Super Guarantee contributions has been removed.

- Fairer system for all workers

The 50% account-based pension minimum drawdown has been extended for the 2022-23 financial year.

- Challenging economic times
- Mitigate sequencing risk

The 50% account-based pension minimum drawdown has been extended for the 2022-23 financial year.

Age	Standard Minimum Percentage Factor	Reduced Minimum Percentage Factor (2020 - 2023 FY inclusive)
Below Age 65	4%	2.0%
65 - 74	5%	2.5%
75 - 79	6%	3.0%
80 - 84	7%	3.5%
85 - 89	9%	4.5%
90 - 94	11%	5.5%
Age 95 and older	14%	7.0%

The work test has been abolished for after-tax contributions (non-concessional contributions) for people aged 67 to 74.

- Previously had to satisfy the work test to make extra contributions into Super
- Applies for after-tax contributions not pre-tax contributions
- Can utilise the bring forward provisions for after tax contributions
- Great for a lump sum - inheritance, windfall, sale of assets
- Govt is allowing people to get more money into the tax effective environment of Super
- Opens the door to a re-contribution strategy

Re-contribution example

- \$330,000 in your pension account (the whole account is made up of a taxable component) that you don't believe you will need and are expecting to pass on to your adult children (non-tax dependant).
- withdraw the \$330,000 into your own bank account and then re-contribute the maximum non-concessional amount of \$330,000 in a lump sum (utilising the bring forward provisions) into your accumulation super account which would now be classed as a tax-free component.
- Then you can transfer it back to pension phase. Remains in 0% tax environment
- Death benefits tax is 15% for non tax dependants plus 2% medicare levy
- Instead of paying \$56,000 in death benefits tax ($\$330,000 * 17\%$) when it is distributed to a non-tax dependant upon death, you would pay \$0 tax.
- If did need the money for your retirement, it is still available
- Can do again before turn 75
- TSB & discuss with a licensed financial adviser

Home Downsizer Contribution eligibility has been reduced from age 65 to age 60.

- \$300,000 into Super from the sales of your Home
- Another Nucleus Wealth Empower episode on this
- Aligns to peoples preservation age when they can access their Super

The First Home Super Saver Scheme (FHSSS) has increased from \$30,000 to \$50,000

- Allows you to use pre-tax contributions to save for your first home
- Another Nucleus Wealth Empower episode on this

The Home Equity Access Scheme now allows advance lump sum payments and now guarantees that the debt will never exceed the market value of the home.

- Allows you to get a voluntary non-taxable loan using Australian real estate as security. Allows you to use the equity in your home to supplement your retirement without having to sell your home.
- Many retirees have much of their wealth tied up in their home
- Now get an advanced lump sum
- No negative equity guarantee when you repay the loan - less risky
- Considerable risks

Commonwealth Senior Health Card (CSHC) eligibility is increasing significantly.

- For people that can't get a pension and under the eligibility caps
- Benefits - bulk billing, cheap prescriptions, refunds on medical costs, lower utility bills, reduced property, water & rates bills, cheaper public transport
- 50,000 extra Australians will get this
- Not legislated yet but will be shortly

Commonwealth Senior Health Card (CSHC) eligibility is increasing significantly.

- Deemed income test - no asset test
- Single - 0.25% p.a for the first \$56,400
- Couple - 0.25% for the first \$93,600.
- Anything over those amounts is deemed at 2.25% p.a. Even if you earn more than the deemed amount, it still gets calculated at the deemed rate.

	Current income caps	July 1, 2022 income caps	Current effective assets caps	July 1, 2022 effective assets caps
Singles	\$57,761	\$90,000	\$2.3 million	\$4.0 million
Couples	\$92,416	\$144,000	\$4.0 million	\$6.5 million



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