

Ask Charity

25/03/2021

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This show contains general advice only and does not consider your personal circumstances.



Reduction in the eligibility age for downsizer contributions

What is the downsizer contribution?

- Gives individuals the ability to make an additional contribution of up to \$300k
- from the proceeds of selling a home.

01

Reduction in the eligibility age for downsizer contributions

Eligibility criteria:

- Owned the property for at least 10 years
- The disposal may be exempt or partially exempt from the capital gains tax
- One time only contribution

01

Reduction in the eligibility age for downsizer contributions

Changes:

From

65 years



To

60 years

From 1 July 2022

01

Removal of the work test for voluntary super contributions

What is the work test?

- Individuals aged 67-74 years are required to work 40 hours in a 30 day period
- In order to make voluntary super contributions
- After 75 years, voluntary super contributions are not allowed.

02

Removal of the work test for voluntary super contributions

Changes:

From

All 67-74 year individuals must meet the work test.



To

67-74 year individuals won't need to meet this work test. This only applies for after-tax (non-concessional) or salary sacrificed contributions.
- From 1 July 2022

02

Removal of the work test for voluntary super contributions

Changes:

- A work test is still required if you want to claim a tax deduction for personal contributions.

02

Removal of the work test for voluntary super contributions

Utilizing bring-forward rules:

- If you're eligible – you can contribute up to 3 years of contributions in one year.

02

Increase of super guarantee

What is the super guarantee?

- Employers are required to pay their employees compulsory super contributions.

03

Increase of super guarantee

Changes:

From

10%



To

10.5%

From 1 July 2022

03

Removal of the \$450 a month wage threshold

What is the \$450 a month wage threshold?

- \$450 a month was the threshold an employer was not required to pay super to their employees.

04

Removal of the \$450 a month wage threshold

Changes:

From

\$450 a month
threshold



To

No threshold.
The Superannuation
guarantee is required to be
paid by the employer from
the first dollar of wages
earned.

04

Increase in the First Home Super Saver Scheme maximum release amount

What is the First Home Super Saver Scheme?

- A scheme where eligible individuals could make voluntary contributions to their super to save for their first home.
- Income earned in super is being taxed at concessional rates, making it easier to build a deposit.

05

Increase in the First Home Super Saver Scheme maximum release amount

Changes:

From

Apply to have up to \$300k eligible contributions released.



To

The amount of eligible contributions that can count towards the maximum releasable amount is going to increase to \$500k.

05



Thanks for listening.

We'll speak with you next week and if you would like to submit a question, feel free to comment in the blog post or contact us.

info@rivkin.com.au