Perpetual Select Super Plan
Perpetual Select Pension Plan

JULY 2017 SUPERANNUATION REFORMS

Key information outlined in this document:

Use the following checklist to assist you, in consultation with your financial adviser, in preparing for the Government's superannuation reforms generally effective from 1 July 2017.

Current Product Disclosure Statements are available online at www.perpetual.com.au/select-super and www.perpetual.com.au/select-pension or by contacting us on 1800 003 001 during business hours (Sydney time).

Superannuation reform	Checklist of things to consider
$1.6 million transfer balance cap – the total amount that can be transferred to a tax-free pension account from 1 July 2017, or can be held in a tax-free pension account as at 1 July 2017 is limited to $1.6 million (excludes structured settlements or personal injury payouts, excludes amounts in transition to retirement pension accounts).	○ For existing holders of tax-free retirement accounts (ie pension accounts), determine your total balance across all the accounts you hold. ○ If your total balance is likely to be in excess of $1.6 million on 1 July 2017, either transfer the excess amounts back into an accumulation account (i.e. a super account) or withdraw the excess. **Note: this applies as at 1 July 2017, so if your pension balance is likely to exceed this amount you need to act before then.**
Non-concessional contributions tax – from 1 July 2017 the annual non-concessional (post-tax) contributions cap will be lowered to $100, 000 (currently $180,000) and will be restricted to people with a total superannuation balance below $1.6 million at the end of the previous financial year.	○ Consider making additional non-concessional contributions by 30 June 2017 to take advantage of the higher cap. Under the 3 year bring forward rule up to $540,000 may be contributed until 30 June 2017.
Concessional superannuation contributions – from 1 July 2017 the annual concessional (before-tax) superannuation contribution cap is being lowered to $25,000 (currently $30,000 for those aged under 49 at the end of the previous financial year and $35,000 otherwise).	○ Review any existing salary sacrifice arrangement to make sure that your total concessional contributions (including employer superannuation contributions) does not exceed the reduced cap . ○ Consider making additional concessional contributions by 30 June 2017.
Concessional superannuation contributions – from 1 July 2017 the income threshold for paying additional contributions tax will be lowered from $300,000 to $250,000.	○ If your salary and wages (including superannuation contributions) exceeds the threshold, review any existing salary sacrifice arrangements in light of a 30% contributions tax applying on any amounts above the threshold level.

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	○ Consider making additional concessional contributions by 30 June 2017.
Improving access to concessional contributions – from 1 July 2017 anyone making a personal superannuation contribution up to the concessional contribution cap will be able to claim an income tax deduction.	○ Towards the end of each financial year, review the total amount of concessional contributions that you've made (employer contribution and any salary sacrifice contributions) and determine whether you'd like to make a personal contribution up to the concessional contribution cap for which you will be able to claim an income tax deduction.
Allowing catch-up concessional contributions – from 1 July 2018, if your superannuation balance is less than $500,000 just before the beginning of a financial year, you're able to carry forward unused concessional contributions for up to 5 years.	○ From the 2019-20 financial year, if you meet the eligibility requirements, consider whether you'd like to make additional concessional contributions using carried forward unused caps from the prior year(s) commencing from 1 July 2018.
Extending the spouse tax offset – from 1 July 2017 a tax offset of up to $540 will be available to individuals who make a superannuation contribution for their spouse who earn up to $40,000 pa (up from the current $10,800 pa).	○ If your spouse meets the eligiblity criteria, consider making a contribution into their superannuation account. A tax offset of 18% applies.
Transition to retirement (TTR) income streams – from 1 July 2017 investment earnings on assets in transition to retirement pensions will be taxed at 15% (these are currently tax-free).	○ Effective 1 July 2017, we'll be moving all transition to retirement member holdings from zero tax investment options to taxed (at 15%) investment options. This will change the number of units and unit price of your holdings but not your total balance .
Abolishing the anti-detriment rule – where members die from 1 July 2017 no anti-detriment payment will be able to be made. Note: an anti-detriment payment is an additional payment made to certain beneficiaries of a deceased member, as part of the death benefit claim.	○ Notify us promptly when a member dies. When a member dies prior to 1 July 2017 an anti-detriment payment is still possible on payments made up to 30 June 2019.

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