

NEWSFLASH – BREAKING TAX NEWS

5 May 2009

There has been speculation in the media of a budget announcement regarding changes to the concessional superannuation contribution thresholds.

The current concessional contribution thresholds are \$50,000 for individuals under 50 years of age and \$100,000 for individuals aged 50 years and older.

Concessional superannuation contributions are taxed at 15% in the superannuation fund with any excess deductible contributions taxed at 46.5%.

The speculative changes include a reduction in the concessional contribution threshold to \$25,000 for individuals under 50 years of age and to \$50,000 for individuals aged 50 years and older. It is unsure of whether these threshold changes would apply from Budget Night or from 1 July 2009.

There has been no speculation on changes to the undeducted superannuation contribution thresholds.

What should you do?

If you were planning to contribute the maximum concessional contribution for the 2009 financial year consider making this contribution prior to Budget Night being 12 May 2009. This will reduce the risk associated with any possible Budget Night announcements.

If you were not planning to make any large superannuation contribution in June 2009, no action is required.

Should you have any questions with regards to this information, please contact our office.

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