



Superannuation is changing in 2017

TAKE ADVANTAGE BEFORE IT'S TOO LATE

The Federal Government has passed legislation to restrict the amount of money people can contribute to superannuation and transfer into retirement (pension) phase. You may still have time to maximise your super before these changes take effect on 1 July 2017. But you need to act now – whether you are in the savings (wealth accumulation) or retirement phase.

WHY YOU NEED TO ACT NOW

Super remains a highly tax efficient savings vehicle but you may end up with less for your retirement if you don't take action before changes come into effect. Whether you're in the savings or retirement phase, we strongly recommend you review your super by May 2017 ahead of the 1 July 2017 deadline.

WHAT IS CHANGING?

The upcoming changes to super are the most significant in a decade. We strongly recommend talking to your Perpetual adviser so you understand the implications for your individual situation.

Here is an outline of some of the changes:

- A \$1.6 million transfer balance cap on the amount of funds that can be used to commence a super income stream (excl. transition to retirement pensions)
- Cut in annual before tax (concessional) contributions cap to \$25,000
- Cut in annual after tax (non-concessional) contributions cap to \$100,000
- The bring-forward period for after tax contributions is linked to your total super balance
- No after tax contributions can be made if your total super balance exceeds \$1.6 million
- Introduction of catch-up, before tax contributions over 5-year period provided you have no more than \$500,000 in super (from July 2018)
- High income earners tax rate (30%) kicks in earlier at \$250,000 (currently \$300,000)
- Removal of tax exemption on fund earnings for transition-to-retirement pensions
- Removal of option to treat a pension payment as a lump sum payment, for tax purposes
- Removal of '10% test' for making personal deductible contributions

USE IT OR LOSE IT

With reduced caps on before and after tax super contributions and the higher tax rate on contributions being broadened from July 2017 it is a case of 'use it or lose it'. You need to find out now whether you should maximise your contributions to super while the caps are higher.

Depending on your situation, it could be your last chance to:

- Make super contributions at 15% rather than 30% tax
- Make your last after tax contribution to super, particularly if you already have a super balance over \$1.6 million
- Contribute up to \$540,000 (after tax) to your super

Super is a highly tax efficient savings vehicle for your retirement. Act now to make the most of existing rules so you can enjoy the retirement you deserve.

FEELING OVERWHELMED? DON'T WORRY

Super is confusing. We get it. But don't let your confusion undermine the quality of your retirement.

We're here to help. Your Perpetual adviser will cut through the complexity, helping you to put the right super strategy in place before new legislative changes take effect.

WANT TO KNOW MORE?

For more information on the upcoming changes to super go to www.perpetual.com.au/super or speak with your Perpetual financial adviser.

TAKE ACTION NOW

We recommend reviewing your financial situation by May 2017. Arrange a time to speak to your Perpetual financial adviser about how the changes to superannuation may affect your retirement plans by calling or emailing on the following:

Phone: 1800 631 381

Email: perpetualprivate@perpetual.com.au

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