



## **2016 Federal Budget Superannuation reforms**

### **Are you clear on what non-concessional contributions you can contribute in a year?**

With the Government abandoning its policy to introduce a \$500,000 lifetime cap for non-concessional contributions are you clear on what non-concessional contributions you can make to superannuation now?

Non-concessional contributions are contributions that are made to super from after-tax income or savings.

Instead of going forward with its proposed \$500,000 lifetime cap on after-tax contributions, the Government has decided to go back to the current rules for after-tax contributions but with a lower annual limit of \$100,000.

This will now allow people to:

- make non-concessional contributions of up to \$100,000 per year
- have the ability to bring forward 3 years' worth of contributions to a single year (allowing you to contribute up to \$300,000 in a single year)

The ability to make non-concessional contributions will also be limited to people who have an individual superannuation balance of under \$1.6 million. In addition, if you are aged 65 or over you need to pass the "work test" to contribute to your super and cannot bring forward contributions to the current year.

The new rules will apply from 1 July 2017. This means that for the current 2016-17 financial year people can still make non-concessional contributions of up to \$180,000.

#### **How can we help?**

If you need assistance with any aspect of making after tax contributions to superannuation, please feel free to give me a call to arrange a time to meet so that we can discuss your particular requirements in more detail.