

Labor proposed Super Changes - could the changes affect the way you manage your super?

As you may be aware, the Labor Party have released a number of proposed changes to superannuation should they win the upcoming election.

Whilst this is not an exhaustive list, I have detailed some of the changes below in order to give an overview and provide an insight into how these changes may affect SMSFs. The proposed changes are:

- Removal of Franking Credit refunds
- Reintroduction of the 10% rule whereby anyone who has employer contributions and doesn't satisfy the 10% rule will be ineligible to top up to \$25k concessional contribution cap via member deductible contributions
- Reduction to the high income super contributions threshold from \$250k to \$200k
- Reduction in non-concessional contributions from \$100k pa to \$75k pa
- Reduction in bring forward non-concessional contributions from \$300k to \$225k
- Removal of the newly introduced carry forward concessional contribution cap

How these changes might affect SMSFs:

- No longer receive tax refunds in SMSF's from excess Franking Credits, which may impact on cash flow to the SMSF
- May restrict contributions made to super for taxpayers who have a mix of employment and self-employed income;
- Higher tax rate will be paid on super contributions for anyone with income levels of \$200k per annum and above (this income level includes superannuation contributions).
- May reduce the amount of contributions able to be made to super from after tax money.

In order to keep you well informed of the impact election decisions may have on your SMSF, I look forward to providing insights as other parties release their proposed changes.

In the meantime, if you have any questions or concerns in regard to the above proposed super changes, please don't hesitate to contact your adviser.

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