



MBMG  
G R O U P  
*20 Years*

## *Home & Away*

**tax & super headaches can still follow Aussie expats wherever they go!**

*Austcham Member Briefing by MBMG Group*

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# *Superannuation: New Rules*



**TURNBULL ORIGINAL**  
coming to you from July 2017

# Superannuation: New Rules

**A\$1.6 million transfer balance cap**

on total amount an individual can transfer into retirement phase accounts

cap will be indexed in \$100,000 increments, in line with inflation

must withdraw excess balance before 1 July 2017

OR revert the excess amount to accumulation phase  
*(subject to 15% earning tax)*

no need to w/d subsequent earnings from July 2017  
on pension balance

special rules apply to defined benefit pensions

**RETROSPECTIVE!!!**



# Superannuation: New Rules

## Removal of tax exemption for transition-to-retirement pensions (TRIPs)

from 1 July 2017 no more tax-exempt status of super fund earnings supporting a transition-to-retirement pension (TRIP). This measure will raise A\$650 million over 4 years.

## Cut in annual concessional (before-tax) contributions cap to A\$25,000

general concessional contributions cap will be lowered from \$30,000 (2016/2017 year), to A\$25,000 (2017/2018 year)

over-50s cap of A\$35,000 (2016/2017 year) will end from 1 July 2017.



# Superannuation: New Rules

Cut in annual non-concessional (after-tax) contributions cap to A\$100,000



After uproar, government eventually scrapped the original A\$500,000 lifetime cap

replaced with an annual \$100,000 NCC - taking effect from 1 July 2017

New NCC rules also allow up to A\$300,000 in NCCs over a 3-year period.

Can only make NCCs if you have a total superannuation balances of < A\$1.6m

# ***Superannuation: New Rules***

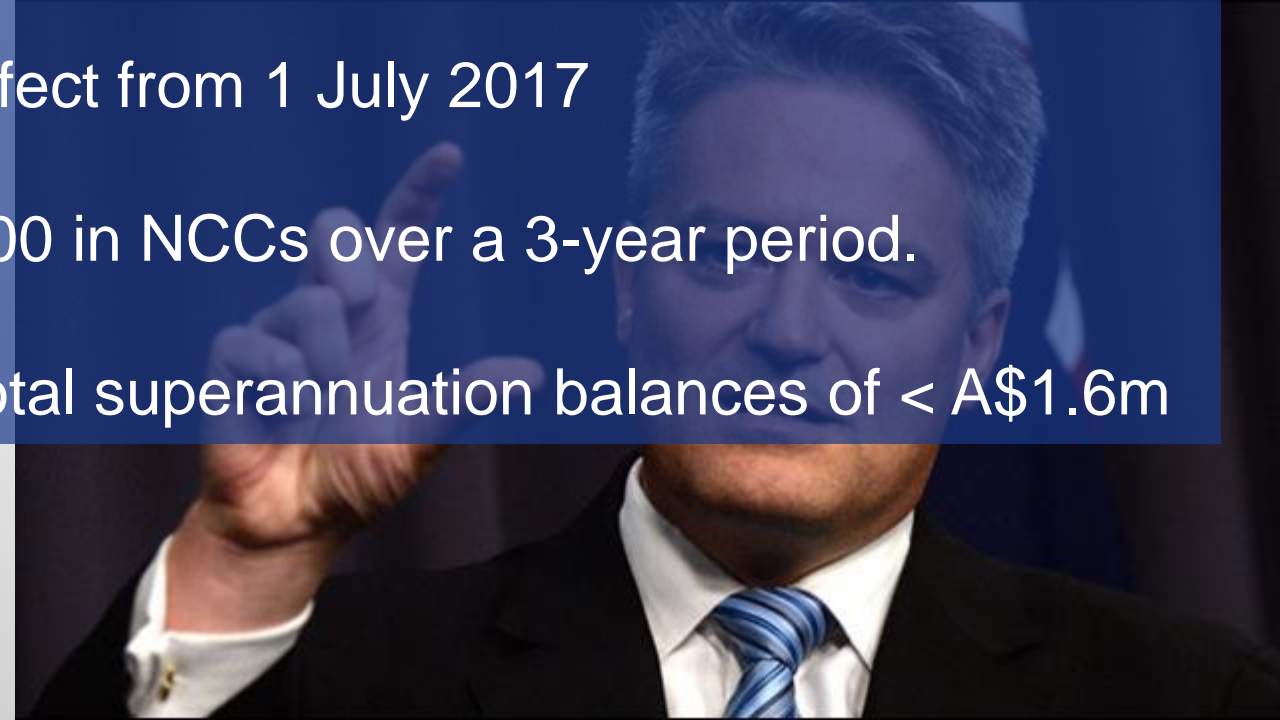
## Continuation of the Low Income Super Contribution (super tax refund)

After community and industry uproar, the government eventually scrapped the original A\$500,000 lifetime cap

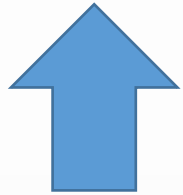
Now an annual \$100,000 NCC - taking effect from 1 July 2017

New NCC rules also allow up to A\$300,000 in NCCs over a 3-year period.

You can only make NCCs if you have a total superannuation balances of < A\$1.6m



# Superannuation: New Rules

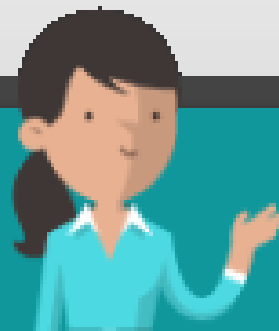


in income threshold for spouse superannuation tax offset to \$37,000 (and \$40,000)

allows a contributing spouse to claim an 18% offset worth up to A\$540 for contributions made to an eligible spouse's superannuation account

Current income threshold A\$10,800 (phasing out at A\$13,800),

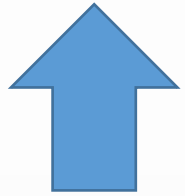
will increase \$37,000, and then phase out at \$40,000



**Ask Alex for help**



# Superannuation: New Rules

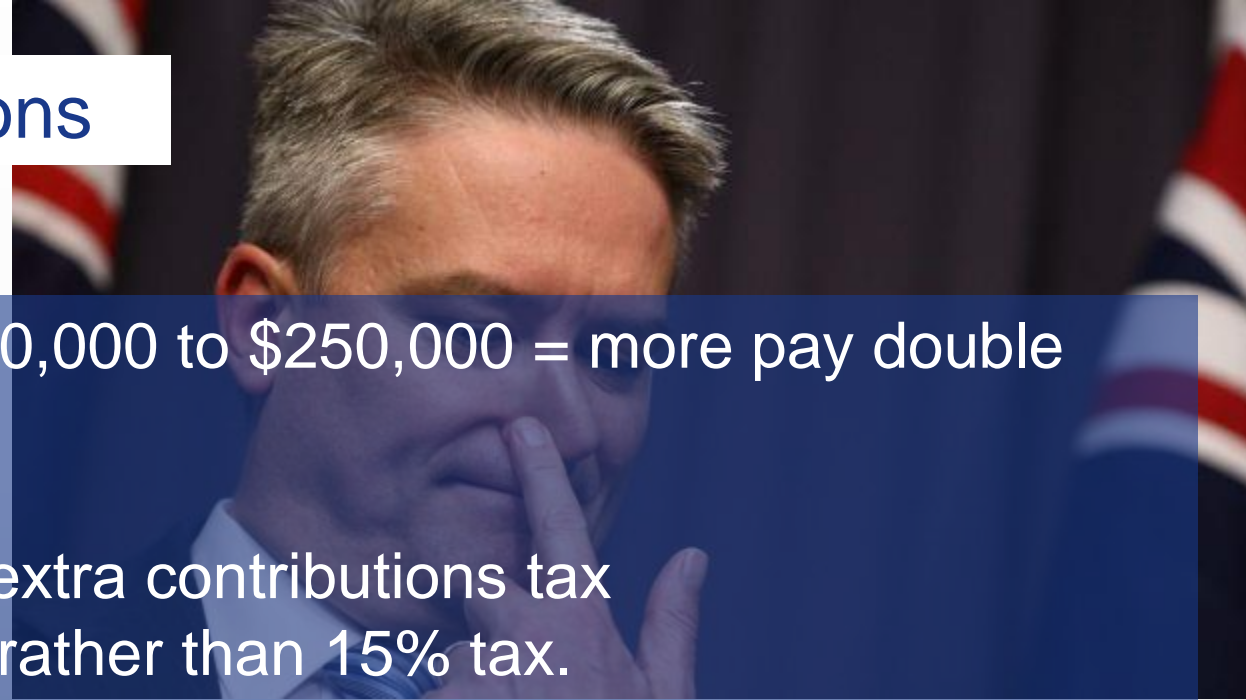


30% tax on super contributions

lowering of the income threshold from \$300,000 to \$250,000 = more pay double contributions tax (15% +15%)

Adjusted taxable income of  $\geq \$250,000$  = extra contributions tax  
⇒ all concessional contributions: 30% tax rather than 15% tax.

Previously exempt fund members (that is, those in certain public sector funds), will also be subject to this extra tax





# Superannuation: New Rules

## Expansion of tax-deductible super contributions to all Australians

all individuals under 75 can get tax deductions for voluntary concessional contributions

Designed to assist:

- employee whose employer won't allow salary sacrifice contributions
- individuals who are self-employed & employed, but fail to meet the current 10% income test

Controversial proposed new tax office in Gosford (NSW) - land originally earmarked for arts

- *Daily Telegraph Australia*



# Superannuation: New Rules

No more option to treat a pension payment as a lump sum payment, for tax purposes

individuals can no longer treat certain superannuation pension payments as lump sums for tax purposes...

...where an individual < 60 treats lump sum payment as a minimum pension payment

Can take advantage of low-rate cap which enables tax-free payments of the taxable component of a lump sum, up to a lifetime threshold of \$195,000 (indexed) (and \$200,000 for the 2017/2018 year)

# Superannuation: New Rules

## Removal of anti-detriment provisions

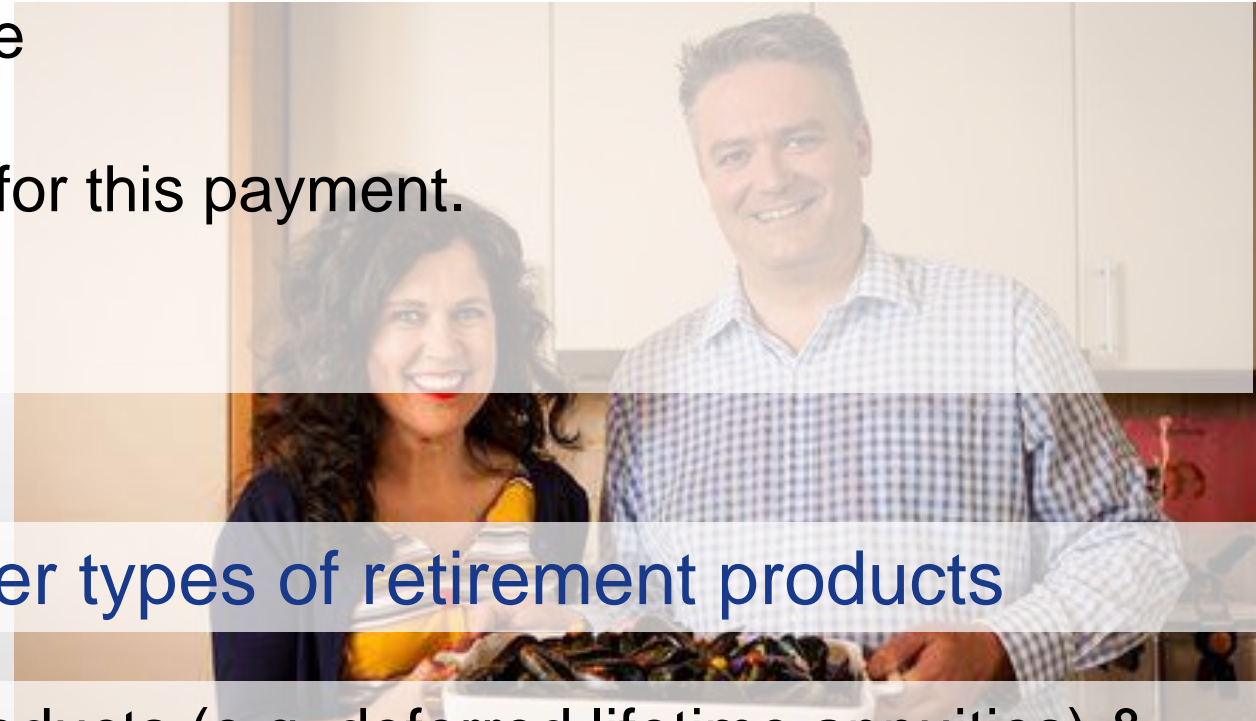
super funds will not be able to pay a refund of a member's lifetime superannuation contributions tax payments into an estate

will not be able to claim a tax deduction for this payment.

will raise A\$350 million over 4 years

## Extension of tax exemption for other types of retirement products

products such as deferred retirement products (e.g. deferred lifetime annuities) & group self-annuities will be exempt on earnings in retirement phase





# Superannuation: New Rules

## Non-financial superannuation changes

### **Product dashboards**

easier fee comparison of fees, investment returns, and insurance premiums.

### **Portfolio holdings disclosure**

allows people to know where their super savings are invested

### **Introduction of retirement income projections**

helps plan ahead and predict expected retirement incomes

### **Pre-filled TFN and choice forms**

helps keep track of existing super account when starting a new job

### **Extension of choice of fund**

Gvmnt hopes to extend fund choice to the 30% of the Australians who currently can't choose their own super fund

# Superannuation: New Rules

Introduction of catch-up concessional contributions over 5-year period  
(now from July 2018)

Initially planned from 1 July 2017

**Delayed -**

unused portions of concessional cap each year can be carried forward on a rolling basis for up to 5 years for the annual caps applicable

**BUT ONLY IF YOU HAVE AN ACCOUNT BALANCE OF LESS THAN \$500,000**

= administrative chaos for super funds

Account-balance requirement needs to be reconsidered before July 2018.



# *CRS & Thailand & Australians*



# BIG BROTHER IS WATCHING YOU

- a large amount of bank account information is now being passed between countries
- for Thai residents this will almost certainly start either next year or the year after
- This is not just the US government's FATCA
  - FATCA looks like a 'walk in the park' compared with the OECD's far-reaching CRS
- Information is passed automatically or on demand about all of us
- CRS IS LIKELY TO AFFECT US ALL

D.W.B.B.

# Thank you

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