

## SUPERANNUATION

### Superannuation Guarantee Surcharge "SGC"

You use **Ordinary Times Earnings "OTE"** to calculate the 2015 compulsory 9.5% superannuation guarantee contributions for employees, (9.25% for 2014).

**Note:** contributions are required to be **paid within 28 days of each quarter**

Payments Type	Salary or Wage	"OTE"
Overtime hours – award stipulates ordinary hours to be worked and employee works additional hours for which they are paid overtime rates	Yes	No
Overtime hours – agreement prevailing over award	Yes	No
Agreement supplanting award removes distinction between ordinary hours and other hours	Yes	Yes
No ordinary hours of work stipulated	Yes	Yes
Casual employee - shift-loadings	Yes	Yes
- overtime payments	Yes	No
Casual employee whose hours are paid at overtime rates due to a 'bandwidth' clause	Yes	No
Piece-rates – no ordinary hours of work stipulated	Yes	Yes
Overtime component of earnings based on 'hourly driving rate' formula stipulated in award	Yes	No
Allowance by way of unconditional extra payment	Yes	Yes
Expense allowance expected to be fully expended	No	No
Danger allowance	Yes	Yes
Retention allowance	Yes	Yes
Hourly on-call allowance in relation to ordinary hours of work for doctors	Yes	Yes
Reimbursement	No	No
Petty cash	No	No
Reimbursement of travel costs	No	No
Payments for unfair dismissal	No	No
Workers' compensation: - returned to work	Yes	Yes
- not working	No	No
Annual leave	Yes	Yes
Parental leave – eg maternity leave, paternity leave, adoption leave	No	No
Ancillary leave – eg jury duty, defence forces reserves leave	No	No
Termination payments - in lieu of notice	Yes	Yes
- unused annual leave	Yes	No
Performance bonus	Yes	Yes
Bonus labelled as ex-gratia but in respect of ordinary hours of work	Yes	Yes
Christmas bonus	Yes	Yes
Bonus in respect of overtime only	Yes	No

**Exemptions** - no superannuation required for:

- ✓ employees paid less than **\$450 gross** in a calendar month
- ✓ employees **under 18 years of age working 30 hours** or less per week
- ✓ employees on "OTE" above the maximum contributions base, in 2015 this is **\$49,470** per quarter (ie.\$197,880p.a.). For the 2014 year the maximum "OTE" base was \$48,040 per quarter.

### Superannuation Fund's Tax Rates

Contribution Tax:	15% of concessional (deductible) contributions
Income Tax Rate:	15% of net investment income (nil if the fund is fully in pension phase)
Division 293 tax:	15% of "Excess Concessional Contributions". "Excess Concessional Contributions" = Concessional contributions less (amount that "ATI" Adjusted Taxable Income + Concessional Contributions - \$300,000)

### Spouse Contribution Tax Offset

A 18% tax offset can be claimed on contributions of up to \$3,000 made on behalf of a spouse to a maximum of \$540. The spouse's total income must be less than \$10,800 with the tax offset cutting out when his/her 'total income' reaches \$13,800.

### Superannuation Contribution Limits

Income Year	Annual Deductible Contributions Cap	Annual Deductible Contributions Cap	Non-Deductible Contributions Cap
2014	Under 60 = \$25,000	Over 60 = \$35,000	\$150,000
2015	Under 50 = \$25,000	Over 50 = \$35,000	\$180,000 *

\*The Non-Deductible Contribution Cap limit over a 3 year period for 2015 is \$540,000 (previously \$450,000).

**NOTE:** The above deductible contribution limits include Superannuation Guarantee and salary sacrifice contributions. These limits are per person not per place of employment. **Excessive Contributions Tax** is payable where these limits are exceeded.

### Government Superannuation Co-Contribution

If your 2014 'total income' is less than \$33,516 your super fund will receive a government co-contribution of \$0.50 per dollar for personal contributions up to \$1,000 (i.e. a maximum **\$500** government co-contribution for 2014).

If your 2014 'total income' is between \$33,516 and \$48,516, the fund will receive a co-contribution of \$0.50 per dollar of personal contribution reduced by 3.333 cents for every dollar of total income over \$33,516.

**Eligibility Criteria:**

- ✓ Contributions must be **personal super contributions** received by your fund by 30 June;
- ✓ 10% or more of your total income must be from eligible employment and
- ✓ You must be less than 71 years of age at 30 June 2014.

"**Total income**" = assessable income plus reportable fringe benefits and reportable super.

### Preservation Age

Generally, you can commence a super fund pension once you reach preservation age. It is not necessary to actually retire.

Date of Birth	Preservation Age
Before 1 July 1960	55
1 July 1960 to 30 June 1961	56
1 July 1961 to 30 June 1962	57
1 July 1962 to 30 June 1963	58
1 July 1963 to 30 June 1964	59
On or after 1 July 1964	60

### Minimum Annual Super Income Stream payments

The minimum amount of pension or annuity required to be paid each year for pensions or annuities that started on or after 1 July 2007. Note there is no maximum amount limit.

Age	Minimum % withdrawal
Under 65 years	4%
65 to 74 years	5%
75 to 79 years	6%
80 to 84 years	7%
85 to 89 years	9%
90 to 94 years	11%
Over 95 years	14%

To calculating a minimum annual withdrawal amount (income stream) use the above % as per the members age on 1 July of the income year then apply that % rate to the members opening fund balance, rounded to the nearest \$10.

### Useful Websites

Tax Office	<a href="http://www.ato.gov.au">www.ato.gov.au</a>
Office of State Revenue	<a href="http://www.osr.nsw.gov.au">www.osr.nsw.gov.au</a>
Aust Business Register	<a href="http://www.abr.gov.au">www.abr.gov.au</a>
ASIC	<a href="http://www.asic.gov.au">www.asic.gov.au</a>
Distances in km's	<a href="http://www.whereis.com.au">www.whereis.com.au</a>
Office of Industrial Relations	<a href="http://www.industrialrelations.nsw.gov.au">www.industrialrelations.nsw.gov.au</a>
Centrelink	<a href="http://www.centrelink.gov.au">www.centrelink.gov.au</a>
Australian Stock Exchange	<a href="http://www.asx.com.au">www.asx.com.au</a>
Office of Fair Trading	<a href="http://www.fairtrading.nsw.gov.au">www.fairtrading.nsw.gov.au</a>
<b>McNamara Accountants Web site =</b>	<b><a href="http://www.mcnamaraca.com.au">www.mcnamaraca.com.au</a></b>
(Web site User Name = Mcnamaraca	Password = Maitland09)

## TAX RATES & THRESHOLDS

Please note: 2014 refers to year ended 30 June 2014 (2015 = y/e 30 June 2015)

### Company Tax Rate

**30%** (unchanged since 2002)

### Resident Individual Tax Rates

Taxable Income	2014 & 2015 Tax Payable
\$0 - \$18,200	\$0
\$18,200 - \$37,000	19% for amounts over \$18,200
\$37,001 - \$80,000	\$3,572 + 32.5% of amounts over \$37,000
\$80,001 - \$180,000	\$17,547 + 37% of amounts over \$80,000
Over \$180,001	\$54,547 + 45% of amounts over \$180,000

Plus Medicare Levy @ 2% of Taxable Income for 2015 (1.5% in 2014)

- Plus **TEMPORARY BUDGET REPAIR LEVY** of 2% on individual's taxable incomes over \$180,000 applies from 1/7/14 to 30/6/17

### Tax on Minors (less than 18 years old)

2014 Taxable Income	Tax Rate
\$0 to \$416	Nil%
\$417 to \$1,307	66%
Above \$1,307	45%

Note: Earned income is taxed at above Adult Resident Individual Tax Rates.

### 2014 Tax Offsets/Rebates

Low Income	\$445	Reduces by 1.5c for every \$1 of income over \$37,000. Lifts tax free threshold to \$20,542 of net medical expenses exceeding \$2,162 if "ATI" under \$88,000 single (\$176,000 couple) of net medical expenses exceeding \$5,100 if "ATI" over \$88,001 single (\$176,001 couple)
Medical Expenses (eligibility = aged care, disabled or claimed in 2013)	20% / 10%	reduces by 5c for every \$1 income exceeding \$53,000 (cutting out at \$63,000). Must be born before 1/7/1957
Mature Age Worker (aged 56 or more)	\$500	

"ATI" = Taxable income + Reportable Super'n + Reportable FBT + Rental Loss

### 2014 Medicare Levy Thresholds

	No Levy	Reduced Levy	Ordinary Levy
Single	\$20,542	\$20,543 to \$24,166	Above \$24,167
Couple (no children)	\$34,367	\$34,368 to \$40,431	Above \$40,432
Single Seniors	\$32,279	\$32,280 to \$37,974	Above \$37,975
Married Seniors	\$46,000	\$46,001 to \$54,116	Above \$54,117

For each additional dependent child add \$3,156 to the above limits

### Medicare Levy Surcharge

	Singles Tax. Income	Families Tax. Income	2014 Surcharge
Tier 1	\$88,001 to \$102,000	\$176,001 to \$204,000	1.0%
Tier 2	\$102,001 to \$136,000	\$204,001 to \$272,000	1.25%
Tier 3	Over \$136,000	Over \$272,000	1.5%

Threshold is increased by \$1,500 per child after the first

### Private Health Fund Insurance Rebates

From 1 July 2013 to 31 March 2014				
Age	Tier '0'	The below tier's income are as per above		
		Tier 1	Tier 2	Tier 3
Under 65	30%	20%	10%	0%
65 to 69	35%	25%	15%	0%
70 or Over	40%	30%	20%	0%

  

From 1 April 2014 to 30 June 2014				
Age	Tier '0'			
		Tier 1	Tier 2	Tier 3
Under 65	29.04%	19.36%	9.68%	0%
65 to 69	33.88%	24.2%	14.52%	0%
70 or Over	38.72%	29.04%	19.36%	0%

### Motor Vehicles

#### Motor Vehicle Cents per Kilometre Rates

Description	Engine Capacity	2009 to 2013 Rate	2014 Rate
Small Car	0 - 1600cc	63c/km	65c/km
Medium Car	1601- 2600cc	74c/km	76c/km
Large Car	Over 2600cc	75c/km	77c/km

#### 2014 Motor Vehicle Cost Limits

Depreciable cost limit	\$ 57,466
Add vehicle GST input claim limit	\$ 5,224
Vehicle Purchase Price (excluding Rego & Insurance)	\$ 62,690

**Luxury Car Tax "LCT"** applies when the GST inclusive price exceeds \$60,316. for fuel efficient vehicles (use less than 7ltrs/100kms) the LCT Limit is \$75,375

### Fringe Benefits Tax

	FBT Rate	Gross-up Rate
1/4/2013 to 31/3/2014 FBT year	46.5%	2.0647
<b>1/4/2014 to 31/3/2015 FBT year</b>	<b>47%</b>	<b>2.0802</b>
1/4/2015 to 31/3/2017 FBT Tax Rate	49%	

FBT Statutory interest rate for year ended 31/3/14 is 6.45% (y/e 31/3/15 = 5.95%)

Km's travelled for year (1/4 to 3/13)	Statutory Rate used to determine car fringe benefits			
	Cars owned Pre 1/4/12	New Car Contracts entered into		
		From 1/4/12 to 31/3/13	From 1/4/13 to 31/3/14	From 1/4/14
0 - 15,000	26%	20%	20%	20%
15,001 - 25,000	20%	20%	20%	20%
25,001 - 40,000	11%	17%	20%	20%
Over 40,000	7%	13%	17%	20%

### Benchmark Interest rates

	2011	2012 & 2013	2014
Division 7A loans	7.8%	7.05%	6.2%
FBT	7.8%	7.4%	6.45%
ATO (June quarters)	11.37%	9.95%	9.69%

### NSW Land Tax

2014 land tax is payable on land owned at 31 December 2013 (excluding most principal places of residence and farms)

Land Value	Land Tax Payable
\$0 to \$412,000	0.00%
\$412,001 to \$2,519,000	\$100 + 1.6% between \$412k & \$2,519k
Above \$2,519,000	\$33,812 + 2% for every \$1 over \$2,519k

Note: There is a "Nil" threshold for most discretionary trusts and non-concessional companies.

### NSW Payroll Tax

2013 rate of 5.45% on wages exceeding \$689,000  
2014 rate of 5.45% on wages exceeding \$750,000

### GST Thresholds

GST Thresholds	*Amounts
Requirement to issue a tax invoice	\$75
No requirement to withhold if supplier does not quote ABN	\$75
Turnover for compulsory registration for GST	\$75,000* (for any 12 month period)
Turnover for compulsory registration for GST (non-profit entity)	\$150,000* (for any 12 month period)
Annual turnover for compulsory use of non-cash accounting	\$2,000,000*
Annual turnover for compulsory monthly electronic BAS	\$20,000,000*

\*all amounts are GST exclusive