SMSF Association - Professionals Super Reference Guide 2024/25

Superannuation Contributions

Concessional	Non-concessional
Compulsory employer contributions (SG)	Personal after-tax contributions
Salary sacrifice contributions	Spouse contributions
Personal tax-deductible contributions	Contributions which exceeded your concessional cap*

**Unless appropriately released from superannuation*

- For the 2024/25 year, the SG contribution rate is 11.5%. The SG rate was 11% in 2023/24.
- Contributions are typically counted toward the relevant contribution cap for the year in which the contribution is received.
- Amounts allocated from a contribution holding account are counted toward the relevant contribution cap for the year in which the amount is allocated to a member's account.
- To claim a tax deduction for a personal super contribution, a member must lodge a valid 'Notice of intent to claim or vary a deduction for personal super contributions' form with the super fund within strict timeframes. The trustee must acknowledge receipt of this form before a tax deduction can be claimed.

Contribution Caps

All ages	2024/25
Standard concessional contribution (CC) cap	$30,000
Non-concessional contribution (NCC) cap	$120,000

Concessional contribution (CC) cap

- A member's CC cap may be higher than the standard CC cap amount if their Total Super Balance (TSB) was less than $500,000 on 30 June of the previous year. That is, a member can access any unused CC cap amounts carried forward (from the previous 5 financial years).
- A member may elect to split up to 85% of their CC each year with their spouse – provided their spouse is under age 65, not retired and the request is lodged within a specific timeframe. CC's split in this way remain counted toward the CC cap of the spouse who originally received the CC.

Non-concessional contribution (NCC) cap

- Members under age 75 on July 1 2024, may trigger the 'bring-forward' of up to two years' NCC cap. This could enable up to 3 x the annual NCC cap to be contributed – subject to their TSB (see below).
- A member's NCC cap will be reduced to Nil for 2024/25 if they have a TSB of $1.9 million or more on 30 June 2024. This also applies to members already in a previously triggered bring-forward period.
- A member's bring-forward period and maximum NCC cap amount, is 'locked-in' in the year the member makes NCCs that exceed their NCC cap (i.e. $120,000 for the 2024/25 financial year).

Total Superannuation Balance (TSB) (At 30 June 2024)	Maximum NCC amount and bring- forward period (If triggered on or after 1 July 2024)
Less than $1.66 million	3 years – ($360,000)
$1.66 – <$1.78 million	2 years – ($240,000)
$1.78 – <$1.90 million	1 year – ($120,000)
$1.90 million or more	Nil

Non-concessional Contributions cap exemptions

- Personal injury settlement amounts contributed to superannuation.
- Government co-contribution payments and Low-Income Superannuation Tax Offset (LISTO) amounts.
- Rollovers from taxed superannuation funds.
- Proceeds from the sale of eligible small business CGT assets – up to the relevant CGT cap limit.
- Downsizer contributions – up to a maximum $300,000 limit.
- Re-contribution of amounts withdrawn under COVID-19 early release (between 1 July 2021 and 30 June 2030).

Small Business CGT Cap – Lifetime Limit				
2020/21	2021/22	2022/23	2023/24	2024/25
$1.565m	$1.615m	$1.650m	$1.705m	$1.780m

Excess Contributions Tax (ECT)

Contribution	Excess contributions tax
Concessional (CC)	Excess CC (ECC) will be added to assessable income for the year in which the ECC was made. ECC will be taxed at marginal rates, less a 15% tax offset.
Non-concessional (NCC)	Where excess NCC (ENCC), plus 85% of associated earnings, is released from super – 100% of associated earnings will be added to assessable income for the year in which the ENCC was made, taxed at marginal rates, less a 15% tax offset. Where excess NCC (ENCC) is not withdrawn from super – ENCC amount will be taxed at 47%.

- A member may elect to have up to 85% of the ECCs released from super.
- ECCs will be added to a member's NCC cap – unless an election is made for the ECCs to be released.
- 'Associated earnings' is calculated using the average of the general interest charge (GIC) rates for the four quarters of the financial year in which the excess NCCs were made.

Contribution eligibility

Contribution Type	Work Test Required? (For members aged 67+)	Maximum Age Limit[1]
Employer Contributions		
Mandated (SG, industrial award etc)	No	None
Non-Mandated (Salary sacrifice)	No	75
Member Contributions[2]		
Deductible contributions	Yes	75
Non-deductible contributions	No	75
Other Contributions		
Spouse contributions	No	75
Downsizer contributions[3]	No	None
COVID-19 re-contribution amounts	No	75
CGT small business contribution	No	75

[1] *Except for downsizer and mandated employer contributions, contributions can only be accepted by a super fund where they are received on or before 28 days following the end of the month in which the member turns 75.*

[2] *Members aged 67 to 74 will only need to meet a work test if they wish to claim a tax deduction for their personal super contributions. To meet this work test, a member must be gainfully employed for at least 40 hours over a consecutive 30-day period, anytime during the relevant financial year.*

A work test exemption for recent retirees allows members aged 67 to 74, with a TSB below $300,000, to claim a tax deduction for personal super contributions made within 12 months from the end of the financial year in which they last met the work test.

[3] *Since 1 January 2023, downsizer contributions can be made from the age of 55.*

Division 293 Tax: Additional contributions tax for higher income earners

Members with Adjusted Taxable Income (ATI) over $250,000 will pay an additional 15% tax on their concessional contributions.

For Division 293 Purposes, ATI broadly includes:

- Taxable income,
- Reportable fringe benefits,
- Total net investment losses, and
- Low tax contributions (generally a member's non-excessive CCs).

Where a member has ECCs, these are included in their taxable income (see above ECT notes).

ECCs will not be subject to Division 293 tax.

Spouse Contributions tax offset

- A tax offset of up to $540 is available where a contribution is made for the benefit of an eligible spouse.
- To be eligible for the maximum tax offset, the recipient spouse's 'income' must be $37,000 or less.
- The maximum tax offset available gradually reduces, until it completely phases out when the receiving spouse's income reaches $40,000.
- This tax offset is calculated as 18% of the amount contributed – up to the maximum $540 amount available. To receive the maximum spouse contribution tax offset, a minimum contribution of $3,000 is required.
- 'Income' includes assessable income, total reportable fringe benefits and reportable employer super contributions.
- No tax offset is available where the receiving spouse exceeds their NCC cap for the relevant year or has a TSB greater than $1.9 million.

Government co-contribution for 2024/25

Total Income	Maximum Government Co-Contribution (50 cents for every $1 contributed)
Less than or equal to $45,400	$500
$45,400 - $60,400	$500 reduced by $0.03333 per $1 greater than $45,400
Greater than $60,400	Nil

- To be eligible for a Government Co-contribution, a member must be under 71 years old at the end of the financial year, meet the 10% eligible income test, and lodge a tax return for the relevant year.
- No Government Co-contribution is available where the member exceeds their NCC cap for the relevant year or has a TSB greater than $1.9 million.

Superannuation Benefit Payments

Preservation age

- From 1 July 2024, individuals will only attain preservation age upon turning 60. Individual's aged 60 or older on 1 July 2024 have already reached their preservation age.

Conditions of release

- Superannuation monies can only be withdrawn when a member meets a condition of release such as:

Conditions of Release	
Retirement	Financial hardship
Permanent incapacity	Compassionate grounds
Death	Temporary resident – Departing Australia permanently
Transition to Retirement – Reached preservation age	Cease employment (Account balance < $200)
Terminal medical condition	First Home Super Saver Scheme
Temporary incapacity	Release authorities issued

Superannuation Death Benefit Payments

Lump sum death benefits

	Benefit Paid To:	
Component	**Dependant beneficiary**	**Non-dependant beneficiary^**
Tax-free Component	0% Non-assessable, non-exempt income	0% Non-assessable, non-exempt income
Taxable Component - Taxed element	0% Non-assessable, non-exempt income	15% (Plus Medicare Levy)
Taxable Component - Untaxed element	0% Non-assessable, non-exempt income	30% (Plus Medicare Levy)

^ Tax treatment of taxable component will differ where paid to non-dependant beneficiary via a deceased member's estate.

Death benefit pensions

- Amount available to start a death benefit pension is limited by the beneficiary's Transfer Balance Cap (TBC).
- A death benefit pension can only be paid to a member's dependant.
- Where a death benefit pension is to be paid to a child of the member, the child must (at time of death) be:
  - Aged less than 18.
  - Aged 18 - 24 and financially dependant on the deceased member, or
  - Have a disability (as defined in s.8 (1) Disability Services Act 1986).
- Death benefit pensions paid to child must be commuted to a lump sum (tax-free) upon the child turning 25 (unless disabled – as above).

Income Component	Age at time of death	Amount included in assessable income	Tax Rate (excludes Medicare Levy)
Tax Free Component	Any age	None	Nil
Taxable Component – Taxed Element	Either the deceased or the dependant was aged 60 or over	None	Nil
	Both the deceased and the dependant were aged under 60	Whole amount	Taxed at marginal tax rates. A 15% tax offset is available.
Taxable Component - Untaxed Element	Either the deceased or the dependant was aged 60 or over	Whole amount	Taxed at marginal tax rates. A 10% tax offset is available.
	Both the deceased and the dependant were aged under 60	Whole amount	Taxed at marginal tax rates. No tax offset available.

- Once a dependant beneficiary turns 60, there will be no tax payable on the taxable proportion of income stream payments (that is, these amounts will become non-assessable, non-exempt income).

Superannuation Lump Sum Benefits

- The tax-free component is not subject to tax – regardless of age.

	Age at payment date	Amount included in assessable income	Tax rate*
Taxable component – Taxed Element	Under age 60^	Entire amount	20%
	Aged 60 and above	None	0%
Taxable component – Untaxed Element	Under age 60^	First $1.780 million (included in assessable income)	30%
		Above $1.780 million (included in assessable income)	45%
	Aged 60 and above	First $1.780 million (included in assessable income)	15%
		Above $1.780 million (included in assessable income)	45%

*Maximum tax rates, excluding Medicare Levy. Tax rates listed as 45% are flat tax rates (not maximum tax rates).

^ As preservation age has now increased to age 60, the low-rate cap on superannuation withdrawals is no longer relevant from 1 July 2024, as individuals will no longer be able to make a superannuation withdrawal between preservation age and age 60.

Superannuation Income Stream Benefits

Minimum annual pension payment requirements

Age at pension commencement or at 1 July (as relevant)	Minimum withdrawal
Under 65	4%
65 – 74	5%
75 – 79	6%
80 – 84	7%
85 – 89	9%
90 – 94	11%
95 and over	14%

- Where a pension commences part way through the year, a pro rata annual minimum payment is required – unless the pension commences on or after 1 June, in which case no minimum is required for that financial year.
- The minimum annual pension requirements were halved for the 2019/20, 2020/21, 2021/22 and 2022/23 years.

Taxation of income streams

- The tax-free proportion of income stream payments is not subject to tax – regardless of age.

	Taxable Component	
Age	**From a taxed source**	**From an untaxed source**
60 or above	Tax-free (Non-assessable, non-exempt income)	Taxed at marginal tax rates. A 10% tax offset is available.
Under age 60	Taxed at marginal tax rates. No tax offset available (unless a disability super benefit).	Taxed at marginal tax rates. No tax offset available.

Transfer Balance Cap (TBC)

- From 1 July 2024, the General Transfer Balance Cap (TBC) remains unchanged at $1.9 million.
- Members with a transfer balance account (TBA) which commenced before 1 July 2023, will have a personal TBC between $1.6m - $1.9m, based on the highest balance in their TBA and when they first commenced their retirement phase income stream.

Common types of credits and debits

Credits	Debits
The value of superannuation interests supporting existing retirement phase income streams on 30 June 2017	Lump sum commutations from a retirement phase income stream (full or partial)
The commencement of a new retirement phase income stream from 1 July 2017 onwards	Structured settlement payments contributed to superannuation
Reversionary and non-reversionary death benefit pensions paid to a deceased members' beneficiary	Certain payments arising from family law splits, fraudulent or void transactions
Certain LRBA loan repayments	Where a retirement phase income stream fails to comply with the relevant pension standards
Notional earnings accruing on excess	

Transfer Balance Account Reporting (TBAR)

- SMSF trustees are required to report TBC events no later than 28 days following the end of the quarter in which the event occurred – regardless of a members' Total Super Balance.

Personal income tax rates

2024/25 Individual Tax Rates - Residents

Taxable income	Tax on this income
0 – $18,200	Nil
$18,201 – $45,000	16c for each $1 over $18,200
$45,001 – $135,000	$4,288 plus 30c for each $1 over $45,000
$135,001 – $190,000	$31,288 plus 37c for each $1 over $135,000
$190,001 and over	$51,638 plus 45c for each $1 over $190,000

- This table does not consider the impacts of Medicare Levy nor any other tax offsets that may be available.