Super Changes Explained

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Quadrant Superannuation

With Australians facing some testing times in the present economic climate, the Federal Government has released a 2009-2010 Budget that reflects our current recession status. As a result of the Government tightening up its economic belt, superannuation certainly hasn’t been left untouched.

There are two main changes that will affect superannuation, which in turn may change the way super fund members contribute. Most notably are annual caps for superannuation concessions. Whilst the changes do have some impact on the favourable tax environment for super, it’s likely they will only affect a small percentage of the population and that, for most of us, super continues to represent a sound long-term investment vehicle for a healthy retirement.

The amount of money you can contribute to super that is taxed at the concessional tax rate of 15% will be halved from 1 July. If you intend to contribute more than $25,000 to super through employer contributions and salary sacrifice each year, this may affect you. If you are under 50 years of age, the amount you can contribute to super this way will be reduced from $50,000 to $25,000 per year. If you are over 50 years of age, the annual cap will be reduced from $100,000 to $50,000 per year. If your contributions exceed these caps, tax on your contributions will jump from 15% to 46.5% and you would certainly want to avoid that. For most Australians, this will not be anything to worry about. In fact the Australian Superannuation Funds Association (ASFA) predict the reduction in the annual cap for concessional super contributions will impact on less than 4% of people who salary sacrifice into super.

The other main change that may affect a larger portion of the Australian public is the temporary reduction of the Government co-contribution for contributions made after 1 July. If you make personal contributions to your super and are eligible to access the co-contribution next year, the amount the Government will contribute to your super will change from $1,500 to $1,000. The rate is scheduled to gradually return to $1,500 by 2014 but even with the reduction, this initiative still represents a good way to boost retirement savings for middle and lower income earners.

For more information about Quadrant Superannuation call 1800 222 209, or visit www.quadrantsuper.com.au.

Does Your Council Work with the Aid of a Companion?

Does your Council offer free tickets to council venues and events for Companion Cardholders? If the answer is no, you may be missing out on an untapped market.

The Companion Card entitles eligible people with lifelong disability to a free ticket for their companion carer at participating venues and events. A person may be eligible if they: live in Tasmania; require attendant care from a companion due to their disability to participate in most community activities and events; and if they have a lifelong need for this level of support.

The Companion Card is accepted throughout Tasmania by businesses and organisations such as festivals, councils, sporting events and venues, tourist attractions and arts and entertainment venues. In fact 13 Tasmanian councils are already affiliated with the program and over 2,000 organisations around Australia recognise the Companion Card.

The Companion Card allows organisations to access an untapped market by providing an opportunity to access local and interstate cardholders travelling or visiting Tasmania, whilst also helping organisations to be more disability-friendly.

For more information or an affiliate information pack, please contact the Disability Bureau on freecall 1800 009 501, or visit www.companioncard.org.au.