



Federal Budget 2009 update

On 12 May 2009, the Rudd Government handed down its second Federal Budget

Some of the key superannuation changes may affect you - here's a summary of these changes

Contributions cap

Concessional contributions cap reduced

The Government has made the following changes to the concessional contributions cap (which apply to employer, salary sacrifice and personal deductible contributions):

- the cap has been halved from \$50,000 to \$25,000 (indexed) per annum from the 2009/10 financial year; and
- the transitional concessional contributions cap (which applies until 30 June 2012) for members aged 50 and over has been halved from \$100,000 to \$50,000 per annum for the 2009/10, 2010/11 and 2011/12 financial years.

If you are a Defined Benefit member¹ of Maritime Super, the notional funding of your defined benefit (known as your notional taxed contributions) will be deemed to fall within the concessional contributions cap. However, additional or voluntary employer and salary sacrifice contributions must fall within the remaining concessional contributions cap to avoid being subject to additional tax.

If you are a defined benefit member of Maritime Super, contact Member Services on 1800 757 607 to find out your notional taxed contributions for a financial year.

The concessional contributions cap limits the amount of concessional contributions made in a financial year that will receive the concessional tax treatment (i.e. only the 15% contribution tax applies if Maritime Super has a record of your tax file number). Contributions above the cap will be taxed at 46.5% or more. Excess concessional contributions will also be counted towards the non-concessional contributions limit.

Plan of action

- Members who currently have a salary sacrifice or transition to retirement strategy in place, or who are self employed and make personal deductible contributions, need to review their arrangements and consider speaking to a Maritime Super affiliated financial planner.
- Members should consider making smaller contributions over a longer timeframe (rather than making a series of larger concessional contributions closer to retirement) to ensure that their retirement goals can be met.
- Members aged 50 or over should consider boosting their super by taking advantage of the transitional concessional contributions cap (which only applies until 30 June 2012).

Non-concessional contributions cap

The current non-concessional contributions cap of \$150,000 remains for 2009/10 and will be calculated as six times the concessional contributions cap.

Non-concessional contributions include your personal/member contributions (not claimed as a tax deduction), spouse contributions and contributions in excess of the concessional contributions cap.

Because the concessional and non-concessional caps apply across all superannuation funds, Maritime Super can't monitor them for you, so it's important that you review your contribution strategy to take into account the lower caps.

¹ This is limited to SVITZER and ASP/Inco Defined Benefit members in the Seafarers division, and Permanent (Defined Benefit) members in the Stevedores division.

To learn more,
contact
Member Services
on 1800 757 607



To learn more, visit the
Education Centre at
www.maritimesuper.com.au

Government co-contribution temporarily reduced

The Government has temporarily reduced the matching rate and maximum Government co-contribution that is payable on a member's personal after-tax contributions (not claimed as a tax deduction) made for the next five years.

In effect, the Government has reduced its maximum matching of super contributions for each dollar contributed (up to \$1,000) from \$1.50 for 2008/09 to \$1.00 for the following three financial years. This means that individuals earning \$31,920 or less (2009/10, indexed annually) who contribute \$1,000 or more in personal after-tax contributions (not claimed as a tax deduction) in 2009/10 will see their co-contribution reduced to a maximum of \$1,000. The maximum co-contribution will then increase to \$1,250 for a further two years (2012/13 and 2013/14) before it returns to \$1,500 from 2014/15.

For those members on incomes over \$31,920 pa for 2009/10, the co-contribution reduces by 3.333 cents for every dollar of income over \$31,920. There is no co-contribution payable if you earn \$61,920 pa or more.

To learn more, visit the Education Centre section of our website.

Minimum pension reduction extended

The 50% reduction in the minimum pension payment for 2008/09 available to Maritime Super Allocated Pensioners, Working Income Support Pensioners (WISPs) and Term Allocated Pensioners has been extended to apply to the 2009/10 financial year.

Contact Member Services on 1800 757 607 if you would like to reduce your 2009/10 pension payments.

Visit the Education Centre on our website to read the 'Pension drawdown relief' information sheet.

Age pension age

The age pension age will be progressively increased from 65 to 67 from 2023, affecting individuals born after 30 June 1952 (with the age pension age increasing by six months every two years from 1 July 2017 until it reaches 67).

For further information about the increase in the age pension eligibility age, go to the Education Centre on our website.

Small lost and insoluble superannuation accounts will become unclaimed monies

From 1 July 2010, it is proposed that lost superannuation accounts of less than \$200 and accounts which have been inactive for five years or more (where the owner cannot be identified) will be payable to the Australian Taxation Office (ATO) as unclaimed monies. The former holder of such an account can then claim the amount back from the ATO at a later date.

Trans-Tasman retirement savings portability scheme

The Federal Government has announced an in-principle agreement with New Zealand to allow the transfer of superannuation between Australian superannuation funds and New Zealand KiwiSaver funds. Further details (including the start date) have not yet been released.