



## TAX READY RECKONER 2018 / 2019

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Figures correct as of 8 July 2018.



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### SUPERANNUATION WITHDRAWALS

Age	Cashing of Benefits	Exemptions
Under preservation age	Not Permitted	<ul style="list-style-type: none"> <li>Death</li> <li>Temporary or permanent incapacity</li> <li>Severe financial hardship</li> <li>Compassionate grounds</li> <li>Terminal medical condition</li> <li>Temporary residents leaving Australia permanently</li> </ul>
At or above preservation age and under 60	Not Permitted	<ul style="list-style-type: none"> <li>An arrangement under which "gainful employment" has ended; AND</li> <li>Trustee is satisfied that the member intends never again to become "gainfully employed" for at least 10 hours a week in the future; OR</li> <li>Any exemptions listed above are satisfied; OR</li> <li>Under a transition to retirement pension.</li> </ul>
60 – 64	Not Permitted	<ul style="list-style-type: none"> <li>An arrangement under which "gainful employment" is terminated (even if the person subsequently enters "gainful employment" again); OR</li> <li>Any exemptions listed above are satisfied.</li> </ul>
65+	Permitted	

Age	Type of Benefit	Taxation Implications
Under preservation age		Withdrawal generally not permitted
At or above preservation age and under 60	Taxed element	<b>Lump sum:</b> 0% up to \$205,000 Lower of MTR* or 15% > \$205,000 MTR* with 15% tax offset <b>Pension:</b> Lower of MTR* or 15% up to \$205,000 Lower of MTR* or 30% \$205,000 - \$1,480,000 TMR# > \$1,480,000 Pension: MTR*
60+	Taxed element	No tax on lump sum or pension payments
	Untaxed element (Generally only relevant for people who have been a member of certain public sector funds or schemes)	<b>Lump sum:</b> Lower of MTR* or 15% up to \$1,480,000 TMR# > \$1,480,000 Pension: MTR* with 10% tax offset available

\* MTR – Marginal Tax Rate #TMR – Top Marginal Rate \*\*\*Table excludes Medicare levy

### TAXATION OF DEATH BENEFITS PAID FROM SUPERANNUATION

Age of Deceased	Type of Payment	Age of Recipient	Taxable Component Paid to a Dependant	Taxable Component Paid to a Non-Dependant
Any Age	Lump Sum	Any Age	Tax Free	Taxed in fund – lower of MTR* or 15% Untaxed in fund – lower of MTR* or 30%
<60	Income Stream	<60	Taxed in fund – MTR* with 15% tax offset Untaxed in fund – MTR*	N/A
Any Age	Income Stream	60+	Taxed in fund – tax free Untaxed in fund – MTR* with 10% tax offset	N/A
60+	Income Stream	Any Age	Taxed in fund – tax free Untaxed in fund – MTR* with 10% tax offset	N/A

\* MTR – Marginal Tax Rate \*\* Tax free component is always tax free \*\*\*Table excludes Medicare levy

### SPOUSE CONTRIBUTIONS

Total of Spouse's Assessable Income* \$	Maximum Rebateable Contributions ("MRC") \$	Maximum Rate* %
0 - 37,000	3,000	Lesser of actual or 3,000 x 18%
37,001 – 39,999	3,000 – (Spouse income* - 37,000)	Lesser of actual or MRC x 18%
40,000 and over	0	0

\* Includes reportable fringe benefits and reportable employer superannuation contributions.  
# Unavailable for taxpayers when the spouse receiving the contribution has exceeded their non-concessional contributions cap for the relevant year, or has a total superannuation balance of \$1.6 million or more immediately before the start of the financial year in which the contribution was made.

### PRESERVATION AGES

Date of Birth	Preservation Age	Earliest Period Withdrawals Allowed*
Before 1 July 1960	55	Withdrawals allowed
1 July 1960 – 30 June 1961	56	Withdrawals allowed
1 July 1961 – 30 June 1962	57	Withdrawals allowed
1 July 1962 – 30 June 1963	58	1 July 2020 – 30 June 2021
1 July 1963 – 30 June 1964	59	1 July 2022 – 30 June 2023
From 1 July 1964	60	1 July 2024 – 30 June 2025

\* Withdrawals only permitted where a condition of release is satisfied. See 'Superannuation Withdrawals'.

### SUPERANNUATION GUARANTEE CONTRIBUTIONS

**Superannuation Guarantee Rate:** 9.5%  
Quarterly super contribution base above which compulsory employer contributions are not required are:

	2017/2018	2018/2019
Quarterly earnings	\$52,760	\$54,030

### SUPERANNUATION - GOVERNMENT CO-CONTRIBUTIONS

Year of Entitlement	Maximum Entitlement \$	Matching Rate %	Lower Threshold \$	Higher Threshold \$	Reduction Threshold %
2018/2019	500	50	37,697	52,697	3.333
2017/2018	500	50	36,813	51,813	3.333

Further, the member cannot have a superannuation balance in excess of \$1.6 million at 30 June and must not have exceeded the non-concessional contributions cap to be eligible.

### SUPERANNUATION - LOW-INCOME SUPER TAX OFFSET

Maximum Entitlement \$	Adjustable Taxable Income Threshold \$	Rebate Amount
500	37,000	15% of concessional contributions

### SUPERANNUATION MINIMUM PENSION FACTORS

Age of Beneficiary	Standard Percentage Factors %
Under 65	4
65-74	5
75-79	6
80-84	7
85-89	9
90-94	11
95 or more	14

There is no maximum limit (except for transition to retirement pensions – 10% maximum).

### SUPERANNUATION FUNDS - TAX RATES

Earnings on Assets Supporting:	2018/2019 %
Accumulation phase	15
Transition to retirement pension	15
Pension phase (for balances up to \$1.6 million per member from 1 July 2017)	0

### ANNUAL SUPERANNUATION CONTRIBUTIONS LIMITS

Contribution Type	Annual Limit
	2017/2018 & 2018/2019
Concessional (any age)#	\$25,000
Non concessional (the work test must be met for those between 65 & 74):	
-Total superannuation balances of less than \$1.6 million *	\$100,000 or \$300,000 over a three year period (bring forward)**
-Total superannuation balances of \$1.6 million and above*	Nil
Tax rate on concessional contributions – members income exceeds \$250,000*	30%
Tax rate on concessional contributions – members income \$250,000* or less	15%

# From 1 July 2018, members with superannuation account balances of less than \$500,000 as at 30 June of the prior financial year are able to carry forward any unused concessional contributions for 5 years. The carried forward contributions will be able to be used from 2019/2020 onwards.

\* The total superannuation balance is based on the balances as at 30 June of the previous financial year.

\*\* The bring forward option can only be used by members under the age of 65 on 1 July.

^ Based on the same income as used for Medicare Levy Surcharge purposes, disregarding any reportable superannuation contributions reported on the income tax return.

2018/2019 bring-forward period		
Superannuation balance at 30 June 2018 \$	Maximum non-concessional contribution for the first year \$	Bring-forward period
Less than 1.4 million	300,000	3 years
1.4million to 1,499,999	200,000	2 years
1.5million to 1,599,999	100,000	No bring forward period, general non-concessional contributions cap applies
1.6 million and over	Nil	N/A

### PERSONAL SUPERANNUATION CONTRIBUTIONS

Age	Personal Contributions	Employment Condition
<65	Permitted	
65 – 74	Permitted	Part-time basis*
75+	Not Permitted	

\* At least 40 hours of paid work in a period of not more than 30 consecutive days of the financial year.

## TAX RATES - ADULTS

RESIDENT TAX RATES 2017/2018		
Taxable Income \$	Tax Thereon \$	Tax on Excess %
18,200	0	19
37,000	3,572	32.5
87,000	19,822	37
180,000	54,232	45

RESIDENT TAX RATES 2018/2019		
Taxable Income \$	Tax Thereon \$	Tax on Excess %
18,200	0	19
37,000	3,572	32.5
90,000	20,797	37
180,000	54,097	45

NON-RESIDENT TAX RATES 2017/2018		
Taxable Income \$	Tax Thereon \$	Tax on Excess %
0	0	32.5
87,000	28,275	37
180,000	62,685	45

NON-RESIDENT TAX RATES 2018/2019		
Taxable Income \$	Tax Thereon \$	Tax on Excess %
0	0	32.5
90,000	29,250	37
180,000	62,550	45

\* The above rates do not include the Medicare levy (2% of taxable income. Not applicable for non-residents).

## TAX RATES - CHILDREN (RESIDENTS)

Except for certain personal exertion income (e.g. wages), the unearned income of most children (under 18) will be taxed at the following rates (ignoring any low income offsets):

Taxable Income \$	Tax Payable 2017/2018
0 - 416	Nil
417 – 1,307	66% of excess over \$416
1,308 and over	45% of entire amount

This means that the effective tax free-threshold for unearned income is \$416.

Where a child under 18 years of age earns income from personal exertion (e.g. a part-time job), that income will be subject to the normal individual tax rates.

## MEDICAL EXPENSES

**Medicare Levy** - 2% of taxable income. Not applicable for non-residents.

**Medicare Levy Surcharge** - Medicare levy surcharge for individuals who do not have private patient hospital insurance and have income for Medicare levy surcharge purposes of more than the following:

Income Bracket	2017/2018 \$			
Singles	90,000 or less	90,001-105,000	105,001-140,001	140,001 or more
Families*	180,000 or less	180,001-210,000	210,001-280,000	280,001 or more
Medicare Levy Surcharge				
Rates	0%	1%	1.25%	1.5%

#Medical Expenses Tax Offset - 2017/2018				
Offset Rate	20%	10%	10%	10%
Expenses must exceed	\$2,333	\$5,504	\$5,504	\$5,504

\* The family income threshold is increased by \$1,500 for each dependent child after the first.

# **Medical Expenses Tax Offset** - From the 2016 year on, only available for disability aids, attendant care or aged care expenses – these can be claimed until 30 June 2019.

## LOW INCOME TAX OFFSET ("LITO")

Amount	\$445
LITO begins to be reduced at	\$37,000
You are no longer eligible for LITO at	\$66,667
Withdrawal rate	1.5%

## LOW AND MIDDLE INCOME TAX OFFSET ("LMITO")

Taxable Income \$	Offset \$
0 – 37,000	200
37,001 – 48,000	530 plus 3 cents for each dollar over 37,000
48,001 – 90,000	530
90,001 – 125,333	530 less 1.5 cents for each dollar over 90,000

## HELP/HECS REPAYMENT THRESHOLDS

HELP Repayment Income 2017/2018 \$	HELP Repayment Income 2018/2019 \$	Rate to be Applied to HELP Repayment Income %
Below 55,874	Below 51,957	Nil
	51,957 – 57,729	2
55,874 – 62,238	57,730 – 64,306	4
62,239 – 68,602	64,307 – 70,881	4.5
68,603 – 72,207	70,882 – 74,607	5
72,208 – 77,618	74,608 – 80,197	5.5
77,619 – 84,062	80,198 – 86,855	6
84,063 – 88,486	86,856 – 91,425	6.5
88,487 – 97,377	91,426 – 100,613	7
97,378 – 103,765	100,614 – 107,213	7.5
103,766 and over	107,214 and above	8

HELP repayment income includes taxable income plus any total net investment loss (which includes net rental losses), total reportable fringe benefits amounts, reportable employer superannuation contributions and exempt foreign employment income.

Those leaving Australia to live overseas for more than 6 months are required to register with the ATO. Repayments will be calculated against worldwide income for non-residents.

## MOTOR VEHICLES

**Cents per Kilometre Rate**

A standard rate of 68 cents/km applies for the 2019 tax year (66 cents/km for the 2018 tax year).

This rate is used to claim motor vehicle expenses on a cents per kilometre basis where business kilometres are less than 5,000 km, or for travel over 5,000 km where the claim is limited to 5,000 km.

## Luxury Cars

Financial Year	Car (Depreciation) Limit \$	Luxury Car Tax threshold	
		Fuel-efficient vehicles \$	Other vehicles \$
2017/2018	57,581	75,526	65,094
2018/2019	57,581	75,526	66,331

Leases of cars costing more than the depreciation limit will be regarded as loans whereby depreciation and interest will be tax deductible rather than lease payments.

GST input tax credit claims for cars are generally capped at 1/11th of the car limit (\$5,235 in 2019).

## EMPLOYMENT TERMINATION PAYMENTS (LIFE BENEFIT TERMINATION PAYMENT)

Age at last day of the income year in which the payment was made	Amount 2017/2018 \$	Amount 2017/2019 \$	Taxable Component Maximum Rate # ^ %
Under preservation age	Up to 200,000	Up to 205,000	30
	Over 200,000	Over 205,000	TMR*
Preservation age and over	Up to 200,000	Up to 205,000	15
	Over 200,000	Over 205,000	TMR*

\* TMR = Top Marginal Rate

# Table excludes Medicare levy

^ For certain ETPs (non-excluded), only the part of the ETP that takes a person's total annual taxable income (including the ETP) to no more than \$180,000 will receive the ETP tax offset.

The payment must be received within 12 months of the termination to be eligible as an ETP.

The taxable component is the ETP less the tax free component. The tax free component consists of the invalidity component and the pre-July 1983 component of the payment.

## TAX FREE EARLY RETIREMENT AND GENUINE REDUNDANCY PAYMENTS

Tax free amount	2017/2018 \$	2018/2019 \$
Base limit	10,155	10,399
For each complete year of service	5,078	5,200

## COMPANY TAX RATES

Company Aggregated Turnover	2017/2018 %	2018/2019 %
<b>Carrying on a business*</b>		
Less than \$25 million	27.5	27.5
\$25 million to \$49,999,999	30	27.5
\$50 million and above	30	30
<b>Not carrying on a business*</b>	30	30

\* The carrying on a business test is proposed to be replaced with an 80% passive income test effective from 1 July 2017. This change is subject to legislation being passed at the time of printing.

## DEPRECIATION

Small Business Entities	
Depreciable plant with a cost of \$20,000 or less acquired between 13 May 2015 and 30 June 2018*	100% write off
Depreciable plant with a cost of \$1,000 or less acquired on or after 1 July 2018 (or 1 July 2019 where proposed law is passed)	100% write off
All other depreciable plant	Optional general small business pool at 30% (15% in year 1)
Non Small Business Entities	
Depreciable plant with a cost of \$100 or less	100% write off
Depreciable plant with a cost of more than \$100 and less than \$1,000	Optional low value pool at 37.5% (18.75% in year 1)
Depreciable plant with a cost of more than \$1,000	Effective life rates
Individuals Not Carrying on a Business	
Depreciable plant with a cost of \$300 or less	100% write off
Depreciable plant with a cost of more than \$300 and less than \$1,000	Optional low value pool at 37.5% (18.75% in year 1)
Depreciable plant with a cost of more than \$1,000	Effective life rates

\*The concession is proposed to extend until 30 June 2019. At the time of publishing, this had not been legislated.

## BUILDING ALLOWANCE

Type	Construction Commenced	Rate %
Residential	18/7/1985 – 15/9/1987	4
	16/9/1987 – 26/2/1992	2.5
	27/2/1992 onwards	2.5 or 4*
Non-residential	20/7/1982 – 21/8/1984	2.5
	22/8/1984 – 15/9/1987	4
	16/9/1987 – 26/2/1992	2.5
	27/2/1992 onwards	2.5 or 4*

\* 4% rate applies to short term traveller accommodation and industrial buildings where construction commenced after 26/2/1992. Structural improvements that commenced after 26/2/1992 are also eligible.

## FRINGE BENEFITS TAX

	1 April 2017 – 31 March 2018	1 April 2018 – 31 March 2019
<b>Benchmark Interest Rate</b> - Loan fringe benefits		
Deemed interest for operating cost method for car benefits	5.25%	5.20%
<b>Car Parking Benefits</b> - Car parking threshold	\$8.66 per day	\$8.83 per day
<b>In-House Fringe Benefits</b> - Reduction in taxable value	\$1,000	\$1,000

## Calculation rates (31 March 2018 & 2019)

Gross up rates Benefit for which employer not entitled to a GST input tax credit – 1.8868

Benefit for which employer entitled to a GST input tax credit – 2.0802

Value includes GST if paid.

FBT rate 47%

## Car Fringe Benefit Statutory Formula Rates

For contracts entered into or altered after 10 May 2011, the statutory formula of 20% is applied to the base value of the car.

## DIVISION 7A BENCHMARK INTEREST RATE

Year of Income Ended 30 June	%
2019	5.20
2018	5.30
2017	5.40

## QUEENSLAND TRANSFER DUTY

Dutiable Value \$	Tax Thereon \$	Duty Rates on Excess
5,000	0	\$1.50 for each \$100 or part thereof
75,000	1,050	\$3.50 for each \$100 or part thereof
540,000	17,325	\$4.50 for each \$100 or part thereof
1,000,000	38,025	\$5.75 for each \$100 or part thereof

A 3% transfer duty surcharge on foreign purchases of residential property applies from 1 October 2016. The surcharge will increase to 7% where the transaction's liability for transfer duty arises on or after 1 July 2018.

## QUEENSLAND PAYROLL TAX

**Exemption Threshold** - \$1,100,000

**Rate** - 4.75%