

Aviva Super Fast Fact Finder

Financial Year 2008/2009

Taxation

Resident income tax rates – 2008/2009

Taxable Income	Tax rate %*
\$0 – \$6,000	0%
\$6,001 – \$34,000	\$0 + 15% of excess over \$6,000
\$34,001 – \$80,000	\$4,200 + 30% of excess over \$34,000
\$80,001 – \$180,000	\$18,000 + 40% of excess over \$80,000
\$180,001 & over	\$58,000 + 45% of excess over \$180,000

* Rates shown exclude the Medicare levy.

Non-resident income tax rates – 2008/2009

Taxable Income	Tax rate %
\$0 – \$34,000	29%
\$34,001 – \$80,000	\$9,860 + 30% of excess over \$34,000
\$80,001 – \$180,000	\$23,660 + 40% of excess over \$80,000
\$180,001 & over	\$63,660 + 45% of excess over \$180,000

Medicare levy thresholds

2007/2008

Family situation	Nil if taxable income does not exceed	Ordinary levy (1.5%) on income above
Individual	\$17,309	>\$20,363
Family	\$29,207*	>\$34,361**
Pensioner Tax Offset	\$22,922	>\$26,967

2008/2009

Senior Australians \$28,867 >\$33,961

- Add *\$2,682 / **\$3,155 if more than six children.
- A reduced levy of 10 cents in each \$1 applies over the lower threshold and below the upper threshold.
- Senior Australians will not pay any levy until the family income reaches \$42,000.

Medicare levy surcharge 2008/2009

Family situation	Current threshold	Proposed threshold**
Individual	\$50,000	\$100,000
Family – 0 children	\$100,000	\$150,000
Family – 1 child	\$100,000	\$150,000
Family – 2 children	\$101,500*	\$151,500*

* Plus \$1,500 for each additional dependant child.

** Will come into effect for 2008/2009 if 2008 budget proposals are passed.

Senior Australians Tax Offset (SATO) – 2008/2009

Family situation	Maximum offset	Lower threshold	Cut off point
Single	\$2,230	\$28,867	\$46,707
Couple (each)	\$1,602	\$24,680	\$37,496*
Illness separated (each)	\$2,040	\$27,600	\$43,920

* Taxable income of a 'couple' must not exceed \$74,992 combined for any tax offset entitlement.

Pensioner tax offset – 2007/2008*

Family situation	Maximum offset	Lower threshold	Cut off point
Single	\$2,129	\$20,194	\$37,226
Couple (each)	\$1,610	\$16,734	\$29,614
Illness separated (each)	\$1,982	\$19,214	\$35,070

* These rates and thresholds are released annually in arrears.

Mature age worker tax offset (MAWTO)

Net income from working*	Offset
< \$10,000	5 cents for each \$1
≥ \$10,000 ≤ \$53,000	\$500
> \$53,000 < \$63,000	\$500 less 5 cents for each \$1 over \$53,000
≥ \$63,000	\$0

* Net income from working = income from working – related deductions.

Low income tax offset*

Year	Maximum tax offset	Lower income threshold	Upper income threshold	No tax until income exceeds
2008/2009	\$1,200	\$30,000	\$60,000	\$14,000
2009/2010	\$1,350	\$30,000	\$63,750	\$15,000
2010/2011	\$1,500	\$30,000	\$67,500	\$16,000

* The offset reduces by 4 cents for each \$1 of income over the lower threshold.

Bona fide redundancy – 2008/2009

First \$7,350 plus \$3,676 for each completed year of service is tax free. The balance is taxed as an eligible termination payment. These figures are indexed on 01 July in line with AWOTE.

Superannuation

Tax on lump sum payments to a member from a superannuation fund*			
Age of member	Taxable component		
	Taxed fund**	Untaxed fund**	
Under Preservation age (55)	20%	Up to \$1,045,000	30%
		Above \$1,045,000	45%
Preservation age to 59	Up to \$145,000: Nil Above \$145,000: 15%	Up to \$145,000	15%
		\$145,001 – \$1,045,000	30%
		Above \$1,045,000	45%
60 years and over	Nil	Up to \$1,045,000	15%
		Above \$1,045,000	45%

* Tax free component has no tax withheld at any time.

** Medicare Levy excluded.

Tax on Death Benefit payments from a superannuation fund			
Type of beneficiary	Tax free component	Taxable component	
		Taxed fund*	Untaxed fund*
Dependant	Nil	Nil	Nil
Non-Dependant	Nil	15%	30%

* Medicare Levy excluded.

Tax on Non-Transitional Employer Termination Payments			
Age of member	Components		
	Tax Free	Taxable*	
Under Preservation age (55)	Nil	Up to \$145,000	30%
		Above \$145,000	45%
Over Preservation age	Nil	Up to \$145,000	15%
		Above \$145,000	45%

* Medicare Levy excluded.

Tax on Transitional Employer Termination payments*			
Age of member	Components		
	Tax free	Taxable** – taken as cash	Taxable – transferred to super
Under Preservation age (55)	Nil	Up to \$1 million	30%
		Above \$1 million	45%
Over Preservation age	Nil	Up to \$145,000	15%
		\$145,001 – \$1 million	30%
		Above \$1 million	45%

* available for eligible ETPs from 1 July 2007 to 1 July 2012.

** Medicare Levy excluded.

Non-concessional contribution caps – 2008/2009		
Age of member	Annual cap	Bring forward option
Under 65	\$150,000	Yes up to \$450,000 in a three year period
65 – 74	\$150,000	no
75 and over	Not available	n/a

Concessional contribution caps – 2008/2009	
Age of member	Annual cap*
Under 50	\$ 50,000
50 and over**	\$ 100,000

* substantially self employed or unsupported persons can claim 100% of concessional contributions up to age 75.

** transitional arrangements until 30 June 2012 for members who are 50 or over.

Superannuation Guarantee		
	Per quarter	Per annum
Maximum contribution base	\$38,180	\$152,720

Tax File Numbers
Eligibility to contribute
Contributions other than those made by an employer can only be accepted by a Trustee where a Tax File Number (TFN) is quoted for the member. Where no TFN is quoted, unless the TFN is provided within 30 days, the Trustee must refund the contribution.
Tax on contributions
Where a TFN has not been quoted, any contributions received by a Trustee must be taxed at the highest marginal tax rate plus Medicare levy.
Accounts opened prior to 1 July 2007 – where taxable contributions exceed \$1,000.
Accounts opened post to 1 July 2007 – all taxable contributions.

Government Co-contribution		
Maximum contribution	Lower income threshold	Cut off point
\$1,500	\$30,342	\$60,342
<ul style="list-style-type: none"> The government co-contributes \$1.50 for every \$1 of personal eligible contributions. It reduces by 5 cents for every \$1 of assessable income and reportable fringe benefits over the lower income threshold. 		

Superannuation spouse contribution offset		
Maximum offset	Spouse's income, lower threshold	Cut off point
\$ 540	\$10,800	\$13,800
<ul style="list-style-type: none"> The offset is based on 18% of spouse contribution up the maximum of \$3,000 of contributions. The rebateable contribution limit reduces by \$1 for every \$1 of income above the lower threshold, phasing out at \$13,800. 		

Eligibility to contribute (age based)	
Age of member	
Under 65	<ul style="list-style-type: none"> no restrictions.
65 – 69	<ul style="list-style-type: none"> contributions under award or SG. contributions by or on behalf of a member allowed when member is gainfully employed at least part time* in the financial year the contribution is made.
70 – 74	<ul style="list-style-type: none"> contributions made under award. personal & employer contributions allowed when member is gainfully employed at least part time* in the financial year the contribution is made.
75 & over	<ul style="list-style-type: none"> contributions made under award.

* Gainfully employed part time means 40 hours in no more than 30 consecutive days.

Conditions of release
<ul style="list-style-type: none"> Attaining age 65. Retirement <ul style="list-style-type: none"> after preservation age termination of employment and no intention to return to full time employment or part time employment. 60 or over and terminated employment after 60. Reaching preservation age but not retired – can access funds via a non-commutable income stream only. Permanent incapacity (SIS definition). Financial hardship or compassionate grounds. Permanent departure from Australia – temporary visa holders only. Termination of employment – only for restricted non-preserved benefits. Terminal medical condition.

Preservation age			
Date of birth	Age	Date of birth	Age
Before 1 July 1960	55	1 July 1962 – 30 June 1963	58
1 July 1960 – 30 June 1961	56	1 July 1963 – 30 June 1964	59
1 July 1961 – 30 June 1962	57	After 1 July 1964	60

Retirement Income Streams

Minimum for account based pensions from 1 July 2007			
Age	% of account balance	Age	% of account balance
Under 65	4%	85 to 89	9%
65 to 74	5%	90 to 94	11%
75 to 79	6%	95+	14%
80 to 84	7%		

Annual pension income = account balance x appropriate percentage.
There is no maximum unless the pension is a non-commutable pension, in which case a maximum of 10% applies.

Tax concessions*

Calculating the tax free portions of income payments

Pensions commenced prior to 1 July 2007

For pensions which commenced prior to this date the tax free portion will be the existing annual deductible amount until one of the following trigger events:

- commutation.
- member turns age 60.
- member's death.

The annual deductible amount prior to 1 July 2007 was calculated as follows:

$$\text{Deductible amount} = \frac{\text{UPP} - \text{RCV}}{\text{RN}}$$

Undeducted Purchase Price (UPP)

- For an income stream purchased with superannuation monies, one of the following formulas will apply:
 - Pre July 1994: UPP = UDC + Concessional + Pre July 1983.
 - Post June 1994: UPP = UDC + Post June 1994 Invalidation + CGT Exempt.

Pensions commenced after 1 July 2007 (for non SMSF)

The tax free portion of an income stream is the same as the tax free portion of the superannuation interest.

- calculate tax free portion of superannuation interest

$$\text{tax free portion} = \frac{\text{tax free amount of superannuation interest}}{\text{total superannuation interest}}$$
- then apply the proportion to the pension payment
 Tax free portion of pension
 = pension payment x tax free portion of superannuation interest.

Calculating the offset

A 15% offset is available to all persons between preservation age and age 60 or where a pension has been commenced as a result of permanent incapacity.

For pensions commenced prior to 1 July 2007

$$\text{Offset} = (\text{pension payment} - \text{deductible amount}) \times 15\%$$

For pensions commenced after 1 July 2007

$$\text{Offset} = (\text{pension payment} - \text{tax free portion}) \times 15\%$$

* Pension payments from a taxed fund are tax free after age 60.

Social security concessions

Income stream	Income test	Assets test
Term 5 years or less (and non-complying)	Deemed	$\text{PP} - \left[\frac{(\text{PP} - \text{RCV}) \times \text{ET}}{\text{RN}} \right]$
Account based pensions	$\frac{\text{P/A} - (\text{PP} - \text{CA} - \text{RCV})}{\text{RN}}$	Account balance
Complying pensions (Until 20 September 2007*)	$\frac{\text{P/A} - (\text{PP} - \text{CA} - \text{RCV})}{\text{RN}}$	Growth Pensions: 50% of account balance Other complying pensions: $50\% \times \left[\frac{\text{PP} - (\text{PP} - \text{CA}) \times \text{ET}}{\text{RN}} \right]$

Legend: P/A = Pension or Annuity Payment
PP = Purchase Price
CA = Commuted Amounts
RCV = Residual Capital Value
ET = Elapsed Term
RN = Relevant Number at commencement

* The exemptions apply as follows:

- 100% assets test exempt for complying pensions purchased before 20 September 2004.
- 50% assets test exempt for complying pensions purchased between 20 September 2004 and 20 September 2007.
- Complying pensions commenced after 20 September 2007 will be fully assets tested.

Relevant Number (RN)

Non-reversionary	The pensioner's life expectancy at pension commencement.
Reversionary	The greater life expectancy of either the primary pensioner or the reversionary pensioner at commencement.

Life expectancy factors (2000/2002)

Age	Male	Female	Age	Male	Female
55	25.92	29.91	68	15.48	18.67
56	25.05	29.00	69	14.78	17.87
57	24.19	28.10	70	14.08	17.08
58	23.34	27.21	71	13.41	16.29
59	22.49	26.32	72	12.75	15.53
60	21.66	25.44	73	12.11	14.78
61	20.84	24.57	74	11.50	14.05
62	20.04	23.71	75	10.90	13.33
63	19.24	22.85	76	10.32	12.63
64	18.46	22.00	77	9.77	11.94
65	17.70	21.15	78	9.24	11.27
66	16.95	20.32	79	8.73	10.61
67	16.21	19.49	80	8.24	9.98

Growth Pensions (Term Allocated Pensions)

Term	Factor	Term	Factor	Term	Factor
45	22.50	30	18.39	15	11.52
44	22.28	29	18.04	14	10.92
43	22.06	28	17.67	13	10.30
42	21.83	27	17.29	12	9.66
41	21.60	26	16.89	11	9.00
40	21.36	25	16.48	10	8.32
39	21.10	24	16.06	9	7.61
38	20.84	23	15.62	8	6.87
37	20.57	22	15.17	7	6.11
36	20.29	21	14.70	6	5.33
35	20.00	20	14.21	5	4.52
34	19.70	19	13.71	4	3.67
33	19.39	18	13.19	3	2.80
32	19.07	17	12.65	2	1.90
31	18.74	16	12.09	1	1.00

Selecting the term

The term of the Growth Pension can be selected from a specified range, which in general will be a period of whole years between the primary beneficiary's life expectancy and the difference (in whole years) between the primary beneficiary's current age and age 100.

If a reversionary's life expectancy is greater than the primary pensioner's the following range can be selected:

- range specified above; or
- the reversionary's life expectancy at the commencement of the income stream and the difference (in whole years) between the reversionary's current age and age 100.

The term is also used as the Relevant Number.

Term reduction

Every 1 July the term is reduced by one year. The exception being when a growth pension was commenced after 30 December. In this case, on the first 1 July, the term will not reduce, but will reduce every subsequent 1 July.

Rates	
Age pension rates	
Family situation	Maximum rate (per fortnight)
Single	\$552.60
Couple (each)	\$459.70 (each)
<ul style="list-style-type: none"> These rates include a pension supplement. Illness separated may each be paid at the single pension rate. These rates are indexed in March and September. 	
Benefits (allowances) rates	
Family situation	Per fortnight (pf)
Single no children	\$437.10
Single with children	\$472.80
Single (60 or over after 9 months)*	\$478.60
Couple (each)	\$394.40
<ul style="list-style-type: none"> These rates apply to Newstart Allowance, Mature Age Allowance, Partner Allowance, Widow Allowance. 	

* Includes pharmaceutical allowance.

Additional allowances			
	Single	Couple	Frequency
Pharmaceutical	\$5.80	\$2.90 (each)	Fortnightly
Seniors concession	\$125.00	\$125.00 (each)	Quarterly
Telephone	\$22.00	\$22.00 (each)	Quarterly
Utilities	\$125.00	\$62.50 (each)	Quarterly

Income tests		
Pensions		
Family situation	Full pension (pf)	Cut off point (pf)
Single	\$138.00	\$1,519.50
Couple (combined)	\$240.00	\$2,538.50
Illness separated (combined)	\$240.00	\$3,003.00
<ul style="list-style-type: none"> Couples have combined thresholds. For each \$1 above the lower threshold the reduction is 20 cents each (couples) or 40 cents (singles). Where there are additional children add \$24.60 per child. These thresholds are indexed in July each year. 		
Benefits (Allowances)		
Family situation	Full benefit (pf)	Cut off point (pf)
Single no children	\$62.00	\$821.84*
Single with children	\$62.00	\$881.34
Single (60 or over after 9 months)*	\$62.00	\$891.00
Couple (each)	\$62.00	\$750.67

* These figures may be higher if the Pharmaceutical Allowance or Rent Assistance are payable.

Deeming rates	
Family situation	4.0% (pa) on first
Single	\$41,000
Pensioner couple (combined)	\$68,200
Non-pensioner couple (each)	\$34,100
<ul style="list-style-type: none"> A deeming rate of 6% applies to financial investments above these thresholds. Any deeming rate changes usually occur in March or September. Deeming thresholds are indexed in July every year. 	

Assets test		
Family situation	Full pension / Allowance	Part pension
Homeowners		
Single	\$171,750	\$540,250
Couple (combined)	\$243,500	\$856,500
Illness separated (combined)	\$243,500	\$980,500
Non-homeowners		
Single	\$296,250	\$664,750
Couple (combined)	\$368,000	\$981,000
Illness separated (combined)	\$368,000	\$1,105,000
<ul style="list-style-type: none"> Couples have a combined threshold. For pensions the reduction factor is \$1.50 for every \$1,000 over the lower threshold. No Allowance is paid when the assets are above the full allowance threshold. Thresholds are updated each July. 		

Age pension age for women			
Date of birth	Age	Date of birth	Age
1 Jul 1941 – 31 Dec 1942	62.5	1 Jan 1946 – 30 Jun 1947	64
1 Jan 1943 – 30 Jun 1944	63	1 Jul 1947 – 31 Dec 1948	64.5
1 Jul 1944 – 31 Dec 1945	63.5	After 1 Jan 1949	65
<ul style="list-style-type: none"> DVA pension age for women is less 5 years 			

Age pension age for men	
Centrelink	65
DVA	60

Summary of Social Security – taxation and tests			
Payment name	Income test	Assets test	Taxable
Centrelink			
Age Pension	Yes	Yes	Yes
Carer Allowance (Adult)	No	No	No
Carer Allowance (Child)	No	No	No
Carer Payment	Yes	Yes	No*
Disability Support pension	Yes	Yes	No*
Family Tax Benefit Part A	Yes	No	No
Family Tax Benefit Part B	Yes/No	No	No
Newstart Allowance	Yes	Yes	Yes
Parenting Payment	Yes	Yes	Yes
Partner Allowance*	Yes	Yes	Yes
Widow Allowance**	Yes	Yes	Yes
Department of Veteran's Affairs			
Disability Service Pension	No	No	No^
Income Support Supplement	Yes	Yes	Yes/No
Partner Service Pension	Yes	Yes	Yes^#
Service Pension	Yes	Yes	Yes
War Widow/er's pension	No	No	No

^ Unless applicable social security pension age or above.

Taxable when paid to a former partner at any age.

* No new grants or claims available.

** No new claims after 01 July 2005 unless applicant born prior to 01 July 1955.

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