

Federal Budget 2018

Highlights

• Taxation proposals

FROM 1 JULY 2018

FROM 1 JULY 2022

FROM 1 JULY 2024

\$530

maximum offset for low and middle income earners

Applicable from financial years 2018/19 to 2021/22

19% TAX THRESHOLD INCREASED

↑ \$41,000
\$37,000

37% TAX BRACKET TO BE ABOLISHED



32.5% TAX THRESHOLD INCREASED

↑ \$90,000
\$87,000

32.5% TAX THRESHOLD INCREASED

↑ \$120,000
\$90,000

32.5% TAX THRESHOLD INCREASED

↑ \$200,000
\$120,000

EXPECTED OFFSET BENEFIT BASED ON TAXABLE INCOME BRACKET IN FY 18/19

\$90,001 to \$125,333

Benefit of new tax offset gradually reduces from \$530 to \$1

\$48,000 to \$90,000

Full benefit of \$530

\$37,001 to \$47,999

Tax relief between \$200 and \$530

up to \$37,000

Tax relief up to \$200

PROPOSED TAX THRESHOLDS

| RATE | CURRENT THRESHOLDS IN 2017-18 | NEW THRESHOLDS IN 2024-25 |
|-------|-------------------------------|---------------------------|
| 0% | Up to \$18,200 | Up to \$18,200 |
| 19% | \$18,201 - \$37,000 | \$18,201 - \$41,000 |
| 32.5% | \$37,001 - \$87,000 | \$41,001 - \$200,000 |
| 37% | \$87,001 - \$180,000 | - |
| 45% | Above \$180,000 | Above \$200,000 |

• Superannuation measures



3% CAP

p.a. on investment fees for super accounts below \$6,000, and exit fees banned



1 YEAR EXEMPTION

from work test for new retirees with less than \$300,000 in super



INACTIVE SUPER ACCOUNTS

ATO will proactively reunite dormant super funds with active accounts



UNDER 25 OR LOW BALANCE SUPER MEMBERS

will need to opt-in for insurance

a  nab company



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