



Construction & Building Industry Super

## Quick Facts

# Federal Budget 2017/18

This superannuation and income stream update is intended to keep readers informed of current developments in superannuation and is not intended to be used as a substitute for professional advice. It doesn't take into account your specific needs, so you should look at your own financial position, objectives and requirements before making any financial decisions. Read the relevant Cbus Product Disclosure Statement to decide whether Cbus is right for you. Call us on **1300 361 784** or visit **[www.cbussuper.com.au](http://www.cbussuper.com.au)** for a copy. All care has been taken to ensure that the information contained herein is correct. United Super Pty Ltd ABN 46 006 261 623 expressly disclaims all liability and responsibility to any person who relies, or partially relies, upon the content, any error or misprint, or for any person who acts on this information.

Cbus' Trustee: United Super Pty Ltd  
ABN 46 006 261 623 AFSL 233792  
Cbus ABN 75 493 363 262.

## Federal Budget superannuation update



# Quick Facts

## Federal Budget 2017/18



Before making any decisions about the following information you should check that these announcements have become law.

The 2017/18 Federal Budget was presented to Parliament on Tuesday 9 May 2017. This fact sheet is a summary of some of the proposals for Cbus super and income stream members and our employers.

### For everyone

#### First home super saver scheme

The Government plans to allow first home buyers to use superannuation to help them to save a deposit faster. From 1 July 2017, the plan is to allow a person to make voluntary super contributions of up to \$15,000 a year, with a maximum overall contribution of \$30,000. Voluntary contributions are concessional contributions (such as salary sacrifice and tax-deductible contributions) and non-concessional contributions (such as member or after-tax contributions).

Then from 1 July 2018, these contributions and deemed investment earnings could be withdrawn for a first home deposit. Withdrawals of concessional contributions and deemed earnings would be taxed at an individual's marginal tax rate less a 30% tax offset. Withdrawals of non-concessional contributions and earnings would be tax free.

#### A new body to oversee complaints

Currently all Cbus members can access either the Superannuation Complaints Tribunal or Financial Ombudsman Service if they are not happy with how Cbus has handled a complaint. From 1 July 2018, the Government plans to replace these bodies with the new Australian Financial Complaints Authority.



### REMEMBER

#### The super changes in Cbus news still start soon

You might remember receiving a copy of *Cbus news* a couple of months ago. One of the articles was about getting ready for the super changes from 1 July 2017. These changes are still going ahead and are not impacted by the proposals announced in the 2017/18 Federal Budget. For details, see your copy or go to [www.cbussuper.com.au/cbusnews](http://www.cbussuper.com.au/cbusnews)

### For older and retired people

#### Additional super contributions for 'downsizers'

From 1 July 2018, the Government proposes that people age 65 and older would be able to make a non-concessional super contribution of up to \$300,000 from the sale of their family home, which they have lived in for at least ten years. This would be irrespective of their age, work status or total super balance. Both members of a couple would be able to take advantage of the additional super contribution. This would be in addition to any other contributions allowed under current rules.

#### Payment to help with the cost of winter energy bills

The Government plans to provide a one-off cash payment to people who receive a qualifying Centrelink payment (such as the Age and Disability Pensions) to help with the increased costs of energy bills. The payment for a single person would be \$75 and \$125 for a couple combined, and is planned to be paid before 30 June 2017.

#### Restoring Pensioner Concession Cards lost from recent asset test changes

The Government Age Pension asset test changed at the start of the year and resulted in some people losing their Age Pension payment and the Pension Concession Card. The Government plans to reinstate the Pension Concession Card (but not the Age Pension payment) for those individuals affected by the 1 January 2017 changes.





# Quick Facts

## Federal Budget 2017/18



Before making any decisions about the following information you should check that these announcements have become law.

### For businesses

While there are no direct changes that affect the payment of super for employees, there were some plans worth noting.

#### New foreign worker levy

The Government intends to charge a levy on businesses that employ foreign workers. Under the plan, businesses would pay a new one-off and annual levy for each foreign worker on certain skilled visas:

- Small business: One-off payment of \$3,000 with an annual payment of \$1,200.
- Larger business: One-off payment of \$5,000 with an annual payment of \$1,800.

#### Eligibility for instant tax write-offs

Introduced in 2016 and expanded in 2017, the Government now plans to continue the instant tax offset for the 2017/18 financial year. Businesses that turnover less than \$10 million each year would be able to immediately write-off expenditure of up to \$20,000.

### Other changes of interest

While not directly related to super and income streams, this planned change is likely to have a broad impact.

#### Increase to the Medicare levy in 2019

Apart from workers and retirees on relatively low incomes, most people pay the Medicare levy as part of the tax applied to their income. From 1 July 2019, the Government plans to increase the Medicare levy from 2% to 2.5%.



#### More information

Full details on the 2017/18 Federal Budget are available from [www.budget.gov.au](http://www.budget.gov.au)

