

# Spotlight on Spending

## Superannuation

### Work test removal allows older Australians to boost balance under new contribution rules, missed opportunity for paid parental.

#### Key takeaways

##### \$450 super contribution threshold

The current requirement for an employee to earn \$450 per calendar month with an employer before qualifying for superannuation guarantee is being scrapped.

##### Downsizer contributions

From 1 July 2022 the age for the downsizer's contribution will be reduced from 65 to 60. An individual can contribute \$300,000 to superannuation and a couple can contribute \$600,000 to super from the sale of their family home.

##### Work Test

From 1 July 2022 the work test for individuals aged between 67 and 74 will be scrapped. This means people aged 67 to 74 will no longer need to work for at least 40 hours over 30 days to make non-concessional contributions or salary sacrificed contributions. It will also allow these individuals to access the non-concessional bring forward arrangements.

##### Legacy product conversions

A two-year period will be provided for conversion of market-linked, life-expectancy and lifetime pension and annuity products.

#### Opportunities

Review your superannuation contribution strategy to maximise superannuation balances.

##### Did the Budget put the spotlight on what you wanted?

The budget will make positive changes to boosting superannuation for retirement.

The removal of the \$450 contribution threshold is a start to removing the superannuation gender gap.

#### Our review



4/5 – Some bits missing

The opportunity missed in the budget was for super guarantee to be paid on parental leave.

No change to the increase in the super guarantee rate.



**Matthew Oakey, Partner**

T +61 3 8635 1974

E moakey@sw-au.com



**Chris Dexter, Associate Director**

T +61 3 8635 1860

E cdexter@sw-au.com