

TODAY'S TOPIC

# 2024 Federal Budget Update

Thank you for joining us.  
We will commence shortly





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Traditional Custodians of the lands  
throughout Australia.  
We pay respect to Elders past and  
present.”

Acknowledgement of Country

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# Agenda



2024 Federal budget  
proposed changes



Previously announced  
changes



How TelstraSuper can  
assist



Questions





## 2024/25 FEDERAL BUDGET - PROPOSED CHANGES



# SG to be paid on Government funded paid parental leave



From 1 July 2025 the SG will be paid on government-funded Paid Parental Leave (PPL) for parents of babies born or adopted on or after 1 July 2025.

Payments will be made annually to individual's super funds from 1 July 2026 and will be administered by the ATO.

The rate will be at 12%, in line with the employer SG rate.

This measure is currently a proposal. Legislation would need to be passed for any of these changes to take effect.

Source: [Superannuation on Paid Parental Leave | Australian Taxation Office \(ato.gov.au\)](#)



# Businesses to pay SG at same time as wages

The government plans to mandate employers to pay the SG for their employees on the same day as their salary and wages are paid.

Currently, employers are only required to pay their employee's Superannuation Guarantee on a quarterly basis.

This is scheduled to commence effective 1 July 2026.

This measure is currently a proposal. Legislation would need to be passed for any of these changes to take effect.

Source: [Payday superannuation](#) | Australian Taxation Office ([ato.gov.au](#))





# Deeming rates frozen

The Government has extended the current freeze on deeming rates for another 12 months to 30 June 2025.

The measure will allow retirees to benefit from increases in interest rates and returns without reductions in their age pension.

It is estimated that this will benefit 876,000 income support recipients, including 450,000 Age Pensioners.

The lower deeming rate will remain at 0.25% and the upper rate will remain at 2.25%.

This measure is currently a proposal. Legislation would need to be passed for any of these changes to take effect.





# Measures to better protect against super fraud

The Government will provide the Australian Taxation Office (ATO) with more than \$187 million to better protect taxpayer data and Commonwealth revenue against fraudulent attacks on the tax and superannuation systems.

This will ensure the ATO has dedicated resources to manage increasing risk, prevent revenue loss, and support victims of fraud and cybercrime.

This measure is currently a proposal. Legislation would need to be passed for any of these changes to take effect.



# Energy bill relief

As a relief measure for all Australian families and eligible small business, to help with the rising energy costs, the Government has proposed an energy bill rebate.

\$300 Households  
\$325 Eligible small business

The relief will apply from 1 July 2024 – 30 June 2025  
The relief will be automatically applied on a quarterly basis by your energy provider.

This measure is currently a proposal. Legislation would need to be passed for any of these changes to take effect.



# JobSeeker payments and Rent assistance

## JobSeeker Payments

From 20 September 2024, Services Australia will be extending the eligibility for the existing higher rate of Jobseeker payment to single recipients with an assessed partial capacity to work up to 14 hours per week

## Rent Assistance

From 20 September 2024, Rent assistance is increasing the maximum rates by 10 per cent

These measures are currently a proposal. Legislation would need to be passed for any of these changes to take effect.

Source: [A higher JobSeeker payment rate for recipients with a partial capacity to work \(0–14 hours\) \(servicesaustralia.gov.au\)](https://servicesaustralia.gov.au) and [Commonwealth Rent Assistance – increase the maximum rates \(servicesaustralia.gov.au\)](https://servicesaustralia.gov.au)





# Carer payment

From 20 March 2025, in aiming to provide carers greater flexibility and choice to structure their work commitments around their caring role, the existing 25 hour per week participation limit will be amended to 100 hours over four weeks.

The participation limit will no longer apply to study, volunteering activities and inclusion of travel time in the proposed 100-hours requirement, and will only apply to employment.

This measure is currently a proposal. Legislation would need to be passed for any of these changes to take effect.

Source: [Removing barriers to employment for Carer Payment recipients \(dss.gov.au\)](https://www.dss.gov.au)





**2024/25 FEDERAL BUDGET -  
PREVIOUSLY ANNOUNCED  
CHANGES**





# Superannuation Guarantee (SG) rate



## Increase of Superannuation Guarantee (SG) rate

SG contributions will increase from 11% to 11.5%  
from 1 July 2024

SG contributions are scheduled to increase to 12% by 2025

## Maximum contribution base

Has been indexed to increase to \$65,070 per quarter for  
2024/25 (up from \$62,270 for 2023/24).

Employers are not required to provide superannuation  
guarantee contributions for that part of an employee's  
ordinary time earnings (OTE) above this quarterly maximum  
contribution base.



Source: Super guarantee | Australian Taxation Office ([ato.gov.au](https://ato.gov.au))



# Contribution limits – Effective 1 July 2024



## Pre-tax (concessional contributions)

Employer contributions, salary sacrifice contributions, personal deductible contributions, additional employer contributions which cover the cost of insurance premiums

15% tax

**2024/25 annual contribution limit \$30,000**

### Rolling 5-year catch up

If your total super balance is less than \$500,000 as at end of the previous financial year, any unused concessional contributions cap amounts can be carried forward for up to five years before they expire.



## Post-tax (non-concessional contributions)

Contribution made from after-tax income and spouse contributions

0% tax

**2024/25 annual contribution limit \$120,000<sup>\*^</sup>**

### Bring forward rule<sup>^#</sup>

If your total super balance is less than \$1.66 million and you are aged under 75, you may be able to make up to three years' worth of post-tax contributions (up to \$360,000<sup>\*\*</sup>) in a single year.

\* From 1 July 2022, individuals aged between 67 to 74 are able to make or receive personal contributions and salary sacrificed contributions without meeting the work test, subject to the existing contribution caps. However, they will be required to meet the work test to claim a deduction for personal contributions. To satisfy the work test you must complete at least 40 hours of paid work in a period of not more than 30 consecutive days in the financial year in which you plan to make non-concessional contributions.

<sup>^</sup> Subject to the \$1.9 million total superannuation balance cap. For total super balances between \$1.66 million and less than \$1.9 million at 30 June of the previous financial year, your bring forward amount will work on a sliding scale

<sup>#</sup> Must be under age 75 at the start of the financial year and meet other eligibility criteria.

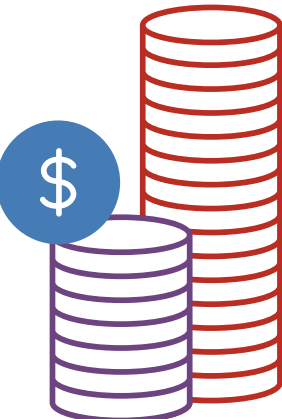
<sup>\*\*</sup> Once you trigger the bring-forward arrangement in a year, any change to the non-concessional contributions cap for the bring-forward period doesn't apply to you. The bring-forward cap amount is set based on the cap in the first year of the period.

**Source: [Contributions caps | Australian Taxation Office \(ato.gov.au\)](#) and [Caps, limits and tax on super contributions | Australian Taxation Office \(ato.gov.au\)](#)**

# Non Concessional contributions – Bring forward rule

## Effective 1 July 2024

The amount of the non-concessional contributions cap you can bring forward depends on your Total Super Balance as at end of the previous financial year.



| Total Super Balance as at 30/06/2024 | Available NCC Cap in 24/25 | Maximum NCC Cap available |
|--------------------------------------|----------------------------|---------------------------|
| Less than \$1.66 Million             | \$360,000                  | 3 years                   |
| \$1.66 million - < \$1.78 million    | \$240,000                  | 2 years                   |
| \$1.78 million - < \$1.90 million    | \$120,000                  | 1 year                    |
| Over \$1.9 million                   | Nil                        | N/A                       |

**Once you trigger the bring-forward arrangement in a year, any change to the non-concessional contributions cap for the bring-forward period doesn't apply to you. The bring-forward cap amount is set based on the cap in the first year of the period.**

TelstraSuper Financial Planning has a team of Advisers to support you with your contribution queries and can help make the complex simple. You can contact us on 1300 033 166 or request an appointment with our online contact form. TelstraSuper Financial Planning Pty Ltd (TSFP) AFSL 218705 wholly owned by TelstraSuper Pty Ltd as trustee for the Telstra Superannuation Scheme (TelstraSuper).

Source: [Non-concessional contributions cap | Australian Taxation Office \(ato.gov.au\)](https://ato.gov.au)

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# TSB and TBC Caps – no change



## Total super balance

Includes all superannuation funds and retirement income streams

**\$1.9 million**

### No further post-tax (non-concessional) contributions

If the total superannuation balance across all your superannuation and retirement income streams (not just your TelstraSuper account) is equal to or greater than \$1.9 million at the end of the previous financial year (i.e.30/06/2023).



## Transfer balance cap

Maximum amount that can be transferred from superannuation accumulation funds into the tax-free retirement phase

**\$1.9 million<sup>^</sup>**

### Example

John retires at age 62 with a total super balance of \$2 million. He is able to commence a retirement income stream with up to \$1.9 million<sup>^</sup>. John can leave the remaining \$100,000 in his superannuation accumulation account and access this money when needed tax-free as he has retired and reached his superannuation preservation age.

TelstraSuper Financial Planning has a team of phone-based Advisers who can provide you with simple advice in relation to your contributions. There's no additional cost for simple phone-based advice as this is included in your TelstraSuper membership. You can contact us on 1300 033 166 or request an appointment with our online contact form. Telstra Super Financial Planning Pty Ltd (TSFP) AFSL 218705 wholly owned by Telstra Super Pty Ltd as trustee for the Telstra Superannuation Scheme (TelstraSuper)

<sup>^</sup>If you start a retirement phase income stream for the first time on or after 1 July 2023, the transfer balance cap is \$1.9 million. Every individual will have their own personal transfer balance cap depending on their circumstances and whether they have already commenced an income stream account.

Source: [Caps, limits and tax on super contributions | Australian Taxation Office \(ato.gov.au\)](#) and [Calculating your personal transfer balance cap | Australian Taxation Office \(ato.gov.au\)](#)

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# Government co-contribution



|   |                  |                  |
|---|------------------|------------------|
| <b>2023/24 - Annual Income</b>          | \$43,445 or less | \$58,445 or more |
| <b>2024/25 - Annual Income</b>          | \$45,400 or less | \$60,400 or more |
| <b>Personal contribution of \$1,000</b> | \$500            | Nil              |

The above information is based on the 2023/24 and 2024/25 financial years. To receive the co-contribution, your total income must be less than the higher income threshold for that financial year and your personal contributions must reach your super fund by 30 June for you to receive a government co-contribution for that financial year. Other eligibility criteria apply.

Source: [Super co-contributions | Australian Taxation Office \(ato.gov.au\)](#)

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# Division 296 Tax on super balances in excess of \$3M



As previously announced the Government proposed to change the concessional tax rate on earnings for super accounts with balances of more than \$3 million.

The tax rate is proposed to increase to 30% (for earnings corresponding to the proportion of an individual's total superannuation balance that is greater than \$3 million), up from 15%, commencing 1 July 2025.

The proposed adjustment is not retrospective and does not impose a limit on the size of super account balances in the accumulation phase.

This measure is currently a proposal. Legislation would need to be passed for any of these changes to take effect.

Source: [Better Targeted Superannuation Concessions | Australian Taxation Office \(ato.gov.au\)](#)

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# Stage 3 tax cuts

The Government legislated tax rates and thresholds are compared to the current rates and thresholds in the table below:

| Current               | Tax Rate | From 1 July 2024      | Tax Rate |
|-----------------------|----------|-----------------------|----------|
| \$0 – \$18,200        | Tax free | \$0 – \$18,200        | Tax free |
| \$18,201 – \$45,000   | 19%      | \$18,201 – \$45,000   | 16%      |
| \$45,001 – \$120,000  | 32.5%    | \$45,001 – \$135,000  | 30%      |
| \$120,001 – \$180,000 | 37%      | \$135,001 – \$190,000 | 37%      |
| Over \$180,000        | 45%      | Over \$190,000        | 45%      |





## HOW TELSTRASUPER CAN ASSIST

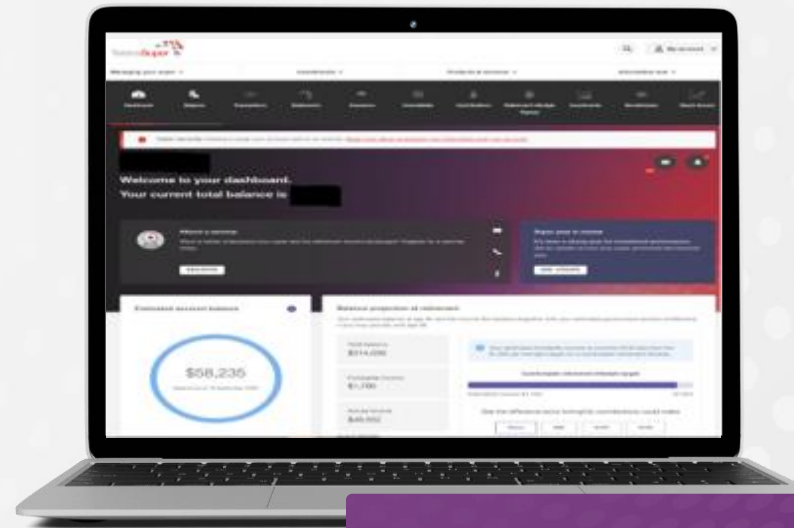


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- ✓ Review your investment options and investment returns
- ✓ Keep track of pre-tax contributions against the concessional contribution caps
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**\$500 - \$900 per topic per person (+GST if applicable)**



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**Annual fee for service**

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