

TODAY'S TOPIC

Federal Budget Update 2022

Thank you for joining us.
We will commence shortly



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**2022/23 FEDERAL BUDGET
RECENTLY ANNOUNCED
CHANGES**



**PREVIOUSLY ANNOUNCED
CHANGES EFFECTIVE
1 JULY 2022**



**HOW TELSTRASUPER
CAN ASSIST**



QUESTIONS



2022/23 FEDERAL BUDGET RECENTLY ANNOUNCED CHANGES



Recently announced changes



Cost of living payment

It was announced that the Government will provide a one-off, tax-exempt payment of \$250 to eligible pensioners, welfare recipients, veterans and concession card holders.

It will be paid automatically to 6 million people at a cost of \$1.5 billion. More than half those who will receive this are pensioners.

Expected to be paid from late April 2022

Source: https://budget.gov.au/2022-23/content/overview/02_cost-of-living.htm

It's important to understand that some measures are currently just proposals. Legislation would need to be passed for any of these changes to take effect.

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Recently announced changes



Paid parental leave scheme

The Government is introducing a single Parental Leave Pay scheme which integrates the existing Paid Parental Leave scheme with the Dad and Partner Pay. The single scheme will apply equally to family units or single parents and provides 20 weeks of paid parental leave to be used how the household sees fit. In addition, the Government is broadening the income test to include household income up to \$350,000 per year. Changes also mean eligible single parents will be able to access an additional two weeks of Paid Parental Leave.

Expected start date was unannounced

Source: https://budget.gov.au/2022-23/content/overview/02_cost-of-living.htm

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Recently announced changes



Expanding the home guarantee scheme

Under the Home Guarantee Scheme, part of an eligible home buyer's home loan will be guaranteed, enabling Australians to enter the property market sooner with a smaller deposit.

It is proposed, the Government will expand the Home Guarantee Scheme to make available 50,000 places per year, more than double the current number of places available. A new Regional Home Guarantee will be established while the number of places under the Family Home Guarantee has doubled to support more single parents.

This will enable more Australians to achieve their aspirations of home ownership.

Expected start date 1 July 2022.

Source: https://budget.gov.au/2022-23/content/overview/02_cost-of-living.htm

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Recently announced changes

The Government has once again proposed to extend the 50 per cent reduction of the superannuation minimum drawdown requirements for account-based pensions and similar products for a further year to 30 June 2023.

Age	'Standard' Minimum Drawdown	Proposed 'temporary reduced' minimum for 2022/23
Under 65	4%	2%
65-74	5%	2.5%
75-79	6%	3%
80-84	7%	3.5%
85-89	9%	4.5%
90-94	11%	5.5%
95 or more	14%	7%

The current temporary reduced minimum drawdown percentages are scheduled to end 30 June 2022; however, it was proposed in the 2022 Federal budget to extend the temporary reduction to 30 June 2023. It's important to understand that these measures are currently just proposed, legislation would need to be passed for this change to take effect.

Recently announced changes

The low and middle income tax offset (LMITO) will increase to a maximum of \$1,500 for the 2021/22 financial year (currently \$1,080). If eligible, the amount of the offset will increase by \$420.

The LMITO thresholds are as follows:

Taxable income	Current LMITO	Proposed LMITO
\$37,000 or less	\$255	\$675
\$37,001 to \$47,999	\$225 plus 7.5 cents per dollar of income above \$37,000	\$675 plus 7.5 cents per dollar of income above \$37,000
\$48,000 to \$90,000	\$1,080	\$1,500
\$90,001 to \$126,000	\$1,080 minus 3 cents per dollar of income above \$90,000	\$1,500 minus 3 cents per dollar of income above \$90,000
More than \$126,000	Nil	Nil



**PREVIOUSLY ANNOUNCED
CHANGES EFFECTIVE
1 JULY 2022**



Previously announced changes

Increase of superannuation guarantee contributions

There was no change to the legislation to increase SG contributions from 10% to 10.5% from 1 July 2022. SG contribution are scheduled to increase to 12% by 2025

Effective start date is 1 July 2022



Previously announced changes

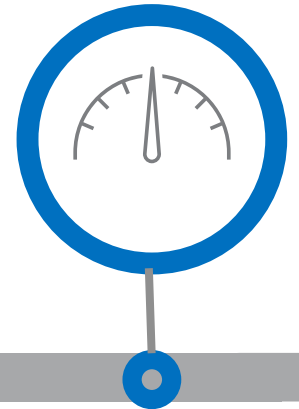
The 2020/21 Federal Budget outlined the following measures relating to super which have now been legislated effective 1 July 2022

Removal of the 'work test' for people between 67 and 74

Currently, people aged between 67 and 74 must meet a "work test" before being able to make voluntary contributions to super (both pre-tax and post-tax contributions) or receive contributions from their spouse.

From 1 July 2022, individuals aged 67 to 74 years (inclusive) will be able make or receive post-tax contributions (including under the bring-forward rule) and salary sacrifice super contributions without meeting the work test, subject to existing contribution caps. Members would however still have to meet the work test to make personal deductible contributions.

Start date 1 July 2022



Eligibility age lowered for downsizer contribution

Currently, the **downsizer scheme** allows eligible people aged 65 and over who sell their primary home to contribute to their super of up to \$300,000 per person. Couples can contribute \$300,000 each. These contributions do not count towards post-tax contribution caps. From 1 July 2022, the eligibility age will be lowered to age 60. Other rules governing the scheme will remain unchanged.

Start date 1 July 2022

*The work test requires a person to be gainfully employed for at least 40 hours over a consecutive 30 day period during the financial year.

Source: www.telstrasuper.com.au/information-hub/news-and-articles/Federal-Budget-2022

PRIOR FEDERAL BUDGET

Downsizer contributions



Proceeds of selling your home
(can only be used once)



Contribute to super
\$300,000 per person or
\$600,000 per couple
(contribution caps don't apply to downsizer contributions)

If you're **65 years old or older currently** or **60 and over from 1 July 2022** and have **owned your home for a minimum of 10 years** (excluding motorhomes, boats or caravans), you may be eligible to make a downsizer contribution from the proceeds of selling your home. Refer to www.ato.gov.au/individuals/super/growing-your-super/adding-to-your-super/downsizing-contributions-into-superannuation for full eligibility on downsizer contributions.

It was proposed in the 2021 Federal Budget to lower the eligibility for the downsizer contribution to age 60. This bill has now been passed with a start date of 1 July 2022.

Source: www.ato.gov.au/individuals/super/growing-your-super/adding-to-your-super/downsizing-contributions-into-superannuation/

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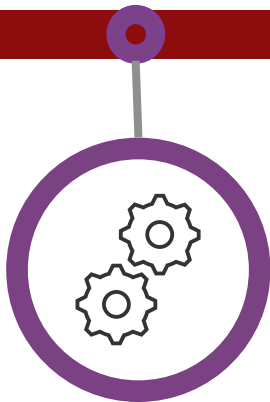
Previously announced changes

More people eligible for super with removal of \$450 threshold

Under current super rules, employers are not required to make superannuation guarantee contributions for employees who they pay less than \$450 per month. From 1 July 2022 this threshold will be removed and employees who earn under \$450 per month will be eligible for employer paid super.



Start date 1 July 2022



Save more in the First Home Super Saver Scheme (FHSS Scheme)

The **First Home Super Saver Scheme** was first announced in the 2017/18 Federal Budget. It allows first home buyers to use a portion of their voluntary super contributions towards a house deposit. Currently, eligible participants have been able to withdraw up to \$30,000 of their extra voluntary contributions from their super towards the deposit. From 1 July 2022 this threshold will increase to \$50,000. Voluntary contributions made from 1 July 2017 up to the existing limit of \$15,000 per year will count towards the total amount able to be released.

Start date 1 July 2022

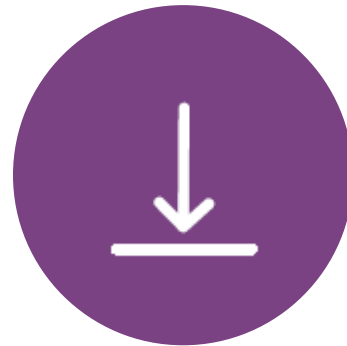
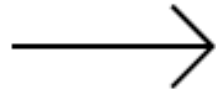
First home super saver scheme

The First Home Super Saver Scheme (FHSSS) allows eligible first home buyers to withdraw their voluntary super contributions – along with deemed earnings – to put towards a home deposit.



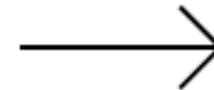
You

Make extra contributions to your super for a deposit, up to \$30,000* currently or \$50,000* from 1 July 2022



Withdraw

Apply to the Australian Taxation Office (ATO) to release your super



Buy your home

Get a home loan and buy your home within 12 months of your application

* You can only withdraw contributions under the scheme once and you can't withdraw the super that your employer is obliged to pay – only the extra voluntary contributions you made after 1 July 2017. From 1 July 2022, the amount you can withdraw under the scheme will increase to \$50,000. Refer to www.ato.gov.au/individuals/super/withdrawing-and-using-your-super/first-home-super-saver-scheme for full eligibility on contributions and withdrawals.



HOW TELSTRASUPER CAN ASSIST

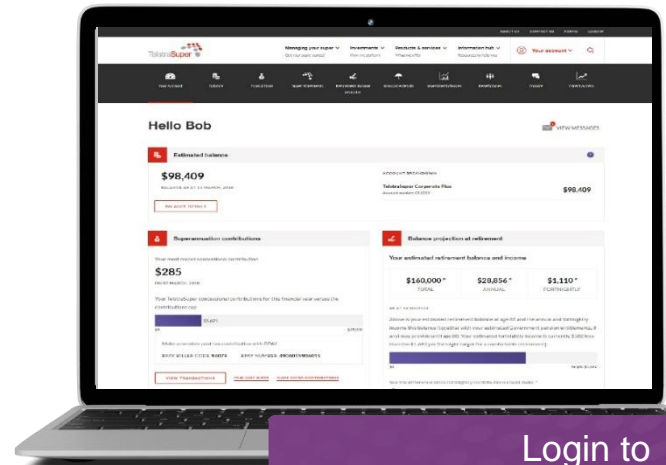


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HOW TELSTRASUPER CAN ASSIST

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Happy to answer your questions.



1300 033 166

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