As the end of the financial year moves closer we thought it was timely to remind you about the current limits on concessional superannuation contributions and the changes to limits as announced in last night's Federal Budget.

Concessional contributions include:

- Employer contributions (including salary sacrifice contributions)
- Personal contributions claimed as a tax deduction by a self-employed person.

The limits are as follows:

Age	2011-12	2012-13	2013-14
Under age 50	$25,000	$25,000	$25,000
50 or over	$50,000	$25,000	$25,000

- Any excess contributions will be taxed at 31.5% in addition to the normal 15% contributions tax.
- As announced in the Budget, those with income greater than $300,000 will have the tax concession on their contributions reduced by 15%.
- The government has deferred until 2014-15 the proposal to increase the limit back to $50,000 for those over 50 with account balances under $500,000.

Tips and Traps

- As outlined in the Budget the concessional cap for those over 50 will reduce from $50,000 to $25,000. Therefore if you are making salary sacrifice contributions you may need to review your strategy for the 2012-13 financial year.
- Check your pay slip to confirm the amount of super contributions paid by your employer during the year. If you are nearing these limits contact our office to discuss your options.
- The limits are based on when the contributions have been received by your fund, not when they have been paid. Therefore it is important to check that any contributions paid for the June quarter have been received by your fund prior to the end of the financial year. If not, these contributions would count towards your limit for the following financial year.
- Remember concessional contributions include both mandatory employer contributions and salary sacrifice contributions.

Should you have any queries or require further information on the above matters, please feel free to contact us.

HANMOORE
FINANCIAL SOLUTIONS