

Tax Rates

Individual Rates

Taxable Income	Tax Payable (Residents)
\$0-\$6,000	Nil
\$6,001-\$21,600	\$0 + 15 % > \$6,000
\$21,601-\$63,000	\$2,340 + 30 % > \$21,600
\$63,001-\$95,000	\$14,760 + 42 % > \$63,000
\$95,001 +	\$28,200 + 47 % > \$95,000

Minors

Taxable Income	Tax Payable
\$0-\$416	Nil
\$417-\$1,445	\$0 + 66 % > \$416
Over \$1,445	47 % of total taxable income

Company Rate

Tax Year	Rate
2005/06	30 %

Complying Superannuation Fund

Tax Year	Rate
2005/06	15 %

Medicare Levy

Taxpayer	No Levy If taxable income
Single	< \$15,902
Married	< \$26,834
Senior Australian (single)	< \$21,968
Senior Australian (married)	< \$31,729
Certain Other Pensioners	< \$19,252

- Add \$2,464 per dependant child.
- Medicare Levy Surcharge of 1.0% applies if no Private Health Insurance- Singles with taxable income >\$50,000, Couples with taxable income >\$100,000 (add \$1,500 per dependant child after the first).

Tax Offsets

Private Health Insurance Tax Offset

- 30% of premiums paid to appropriate private health insurance policy.

Medical Expense Tax Offset

- 20% of net medical expenses in excess of \$1,500 p.a.

Pensioner Tax Offsets

Senior Australian Tax Offsets (2005/06)

Taxpayer	Taxable Income		
	Tax Offset	Shade-out Threshold	Cut-out Threshold
Senior Australians			
Single	\$2,230	\$21,968	\$39,808
Couple (each)	\$1,602	\$18,247	\$31,063
Sep. due Illness	\$2,040	\$21,167	\$37,847

Senior Australians includes pensioners and self-funded retirees who at year end satisfy:

- Age test – 65 for males or 62.5 for females. Or DVA service pension veterans or war widow/widower income support supp recipients aged 60 (males), 57.5 (females); and
- Residency test – Australian residents for > 10 years, or have valid exemption; and
- Were not in prison for the full income year.

Certain Other Pensioner Tax Offsets (2004/05)

Pensioner	Taxable Income		
	Tax Offset	Shade-out Threshold	Cut-out Threshold
Certain Other Pensioners			
Single	\$1,928	\$17,342	\$32,766
Couple (each)	\$1,424	\$14,377	\$25,769
Sep. due Illness	\$1,782	\$16,483	\$30,739

* Rebate decreases by 12.5 cents for every dollar of taxable income exceeding shade-out thresholds.

The above table of Tax Offsets are those applicable to 2004/05. At the date of publication, the ATO has not published rates for 2005/06.

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Superannuation

Preservation Age

Born	Preservation Age
Before 1 July 1960	55 years
1 July 1960 – 30 June 1961	56 years
1 July 1961 – 30 June 1962	57 years
1 July 1962 – 30 June 1963	58 years
1 July 1963 – 30 June 1964	59 years
After 1 July 1964	60 years

Self Employed

Able to claim tax deduction for the lower of:

- \$5,000 plus 75% of amount of contribution > \$5,000, or
- Taxpayer's age based deductible contribution limit.

Age Based Deductible Contribution Limits

Age in Years*	Deduction Limit	Self-Employed Contribution to Gain Deduction Limit
Under 35	\$14,603	\$17,804 [#]
35 – 49	\$40,560	\$52,413 [#]
50 and over	\$100,587	\$132,449 [#]

* Age attained on day last contribution was made for financial year.
Balance above Deduction Limit is treated as an Undeducted Contribution.

Superannuation Guarantee

Financial Year	Minimum Employer Support
2005 – 2006	9 %

* Minimum salary requiring superannuation guarantee to be paid is currently \$450 per month.
* Maximum salary used to calculate the superannuation guarantee for 2005 – 2006 is \$33,720 per quarter.
* Quarterly SGC commenced 1 July 2003. From this date, employers must pay 9% of eligible employee's earnings into a super fund or retirement savings account on their behalf on at least a quarterly basis by the 28th day following the end of the quarter (ie by 28 Jan, Apr, Jul, Oct).

Superannuation Co-Contributions

Eligible persons who make personal super contributions receive a matching co-contribution from the Government up to certain thresholds.

Maximum eligible Personal Contribution	\$1,000
Co-Contribution level (2004/5)	\$1.50 / \$1
Shade-out threshold for max co-contribution	\$28,000 p.a.
Cut-out threshold for co-contribution	\$58,000 p.a.
Rate of reduction above shade-out threshold	5c / \$1 over \$28,000

- Co-contribution is paid to the same fund as personal contribution.
- Co-contribution is treated as an Undeducted Contribution.

Spouse Superannuation Contribution Tax Offset

Maximum rebate of \$540, or 18% of contributions up to \$3,000, when Spouse's assessable income plus reportable fringe benefits is \$10,800 or less. Rebate reduces \$1/\$1 and cuts out at \$13,800.

Superannuation Contribution Surcharge

The Federal Government has now passed legislation to abolish the Superannuation Surcharge Tax – effective from 1 July 2005.

All prior assessments for Surcharge up to 30 June 2005 will remain.

Superannuation

Minimum and Maximum Pension Valuation Factors, and Life Expectancy Table 2000 - 02

Age	Min PVF	Max PVF	Life Expect. Male	Life Expect. Female
55	19.8	9.6	25.92	25.91
56	19.4	9.5	25.05	29.00
57	19.0	9.4	24.19	28.10
58	18.6	9.3	23.34	27.21
59	18.2	9.1	22.49	26.32
60	17.8	9.0	21.66	25.44
61	17.4	8.9	20.84	24.57
62	17.0	8.7	20.04	23.71
63	16.6	8.5	19.24	22.85
64	16.2	8.3	18.46	22.00
65	15.7	8.1	17.70	21.15
66	15.3	7.9	16.95	20.32
67	14.9	7.6	16.21	19.49
68	14.4	7.3	15.48	18.67
69	14.0	7.0	14.78	17.87
70	13.5	6.6	14.08	17.08
71	13.1	6.2	13.41	16.29
72	12.6	5.8	12.75	15.53
73	12.2	5.4	12.11	14.78
74	11.7	4.8	11.50	14.05
75	11.3	4.3	10.90	13.33
76	10.8	3.7	10.32	12.63
77	10.4	3.0	9.77	11.94
78	10.0	2.2	9.24	11.27
79	9.5	1.4	8.73	10.61
80	9.1	1.0	8.24	9.98
81	8.7	1.0	7.77	9.38
82	8.3	1.0	7.32	8.81
83	7.9	1.0	6.89	8.27
84	7.5	1.0	6.48	7.76
85	7.1	1.0	6.11	7.28

Payment Factors for Market-Linked Income Streams

Term Remaining (Years)	Payment Factor	Term Remaining (Years)	Payment Factor	Term Remaining (Years)	Payment Factor
30	18.39	20	14.21	10	8.32
29	18.04	19	13.71	9	7.61
28	17.67	18	13.19	8	6.87
27	17.29	17	12.65	7	6.11
26	16.89	16	12.09	6	5.33
25	16.48	15	11.52	5	4.52
24	16.06	14	10.92	4	3.67
23	15.62	13	10.30	3	2.80
22	15.17	12	9.66	2	1.90
21	14.70	11	9.00	1 or less	1.00

Deductible Amount

= Undeducted Purchase Price (UPP) - Residual Capital Value (RCV) / Life Expectancy*

* Where life expectancy is that of recipient, or reversionary beneficiary, if this is longer.

Reasonable Benefit Limits

Reasonable Benefit Limit	Amount (\$)
Lump Sum	\$648,946*
Pension	\$1,297,886*

* Indexed to AWOTE.
* If benefit is taken prior to age 55, the lump sum RBL must be reduced by 2.5% for each year the person is less than 55 years.

Social Security

Age Pension Age for Men

* Age 65 Years

Age Pension Age for Women

Born	Age	Born	Age
1.07.41 - 31.12.42	62.5	1.01.46 - 30.06.47	64.0
1.01.43 - 30.06.44	63.0	1.07.47 - 31.12.48	64.5
1.07.44 - 31.12.45	63.5	After 1.01.49	65.0

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Social Security

Age Pension Asset Test

	Homeowner		Non-Homeowner	
	Full Pension	Pension Cut Out	Full Pension	Pension Cut Out
Single	\$157,000	\$322,000	\$270,500	\$435,500
Couple	\$223,000	\$497,500	\$336,500	\$611,000
Sep. due Illness	\$223,000	\$553,000	\$336,500	\$666,500

* Reduced by \$3 per fortnight for each \$1,000 exceeding minimum level.

Age Pension Income Test

Income / Fortnight	Full Pension	Pension Cut Out
Single	Up to \$124 *	\$1,360.75
Couple	Up to \$220*	\$2,275.50
Sep. due Illness	Up to \$220 *	\$2693.50
Additional Children	Add \$24.60 per dependant child	

* Income exceeding these amounts reduces pension by 40 cents in the dollar (singles), and 20 cents in the dollar each (couples).

Age Pension Rate

Status	Maximum Pension Rate Per Fortnight
Single	\$488.90*
Couple	\$408.20 (each)*

* Excludes Pharmaceutical Allowance (\$5.80 per fortnight - single, and \$2.90 each per fortnight - couple).
Since July 2000 this payment has included a pension supplement of \$17.30 for singles (or those separated through ill health), and \$14.40 each for couples.

Deeming Rates

Single	Pensioner Threshold		Rate
	Single	Couple	
<\$37,200	<\$62,000		3.0 %
>\$37,200	>\$62,000		5.0 %

Termination Payments

Tax on a Lump Sum Eligible Termination Payments

Component	Tax
Undeducted contributions	Tax Free
Pre 1 July 1983 component	5 % included as assessable income and taxed at individual's marginal tax rate.
Post 30 June 1983 taxed component	Under age 55: 20% After age 55: First \$129,751# Nil Over \$129,751# 15%* Fully included in assessable income.
Post 30 June 1983 untaxed component	Under age 55: 30% After age 55: First \$129,751# 15%* Over \$129,751# 30%* Fully included in assessable income.
Concessional component	5 % included as assessable income and taxed at individual's marginal tax rate.
Post 30 June 1994 invalidity component	Tax Free
Excessive component (ie. above RBL)	Taxed at 47%*, unless rolled over to purchase non-rebateable pension/annuity income stream.
CGT Exempt component	Tax Free within RBL's.

* Plus Medicare levy, except where nil ETP tax rate applies.
\$129,751 threshold indexed annually to AWOTE.

Bona Fide Redundancy & Approved Early Retirement Scheme

\$6,491 plus \$3,246 for each complete year of service*.

* This amount is tax free, does not count for RBL purposes, and can't be rolled over.
* Amounts in excess of tax-free component are treated as untaxed, employer ETP's. They are split between pre and post June 1983, count towards an individual's RBL, and can be rolled over.