Registered Tax Agent 74962 005
C.dec B.Bus NTAAF
ABN 13 338 738 816

ashleycarter
TAXATION ACCOUNTANT

Accessing Super

What Tax is Payable?

Most people cannot withdraw their super until they reach their preservation age (55, or upwards where born after 1960) or where they satisfy a "*condition of release*". Some of the Conditions of Release include:

1. Retirement
2. Preserved amount of Super is less than $200
3. Reaching age 65
4. Severe Financial Hardship
5. Compassionate Grounds
6. Permanent Disability

When dealing with the tax consequences of withdrawing Super, you have to consider the super components and whether you take a lump sum, or a pension.

The Components:
1. Tax-free Component (personal after tax contributions)
2. Taxable Component (balance remaining after deducting the tax-free component)

As the first component is **tax-free**, we only need to concentrate on the Taxable Component. This Taxable Component comprises of either a "Taxed Element" (***most people's funds***) or "Untaxed Element" (some public sector schemes).

This table illustrates the current tax consequences:

	Age Using 55 as Preservation age	**Lump Sum**	**Pension / Transition to Retirement**
Taxed Element *(most people's super funds)*	Under 55	**Max 20% Tax + Medicare**	
	55 to 59	• **No tax** up to "low rate cap" ($160,000 for 2010/11) • the balance is taxed at **15% + Medicare**	• Included in income and taxed at marginal rates • 15% Tax Offset applies
	60 +	**Tax Free**	**Tax Free**
Untaxed Element	Under 55	• Up to $1m – taxed @ 30% • Over $1m - taxed at top marginal rate	
	55 to 59	• Up to $140k – taxed @ 15% maximum • $140k to $1m – taxed @ 30% maximum • Over $1m – taxed at top marginal rate	• Included in income and taxed at marginal rates
	60 +	• Up to $1m – taxed @ 15% • Over $1m - taxed at top marginal rate	• Included in income and taxed at marginal rates • 10% Tax Offset applies

M | 0410 158860
F | 07 5574 4992
A | 10 Highview Place Parkwood
PA | PO Box 3592 Helensvale TC QLD 4212
E | ashley@mytaxagent.com