



# Superannuation funds excess contributions tax

As the end of the financial year approaches, we strongly encourage super fund members to count all your contributions made during 2009-10 to check whether you are at risk of being subject to the excess contributions tax.

This is the first financial year that the government's tax measure to reduce the annual caps on concessional contributions is in effect.

The concessional cap for 2009-10 has been halved to \$25,000 for members under 50 and to \$50,000 for members over 50 (and will be cut to the same cap as that for members under 50 from 2012-13).

You might find that you have already exceeded your annual cap on concessional or non-concessional contributions. However, if you are close to the limit, you may still have time to make an adjustment to your rate of contributions to bring yourself within the appropriate cap.

Fund members who make extra large contributions (including those making an effort to expand their super balances in the last few years before retiring) are at particular risk of making excess contributions in 2009-10.

Members should not under-estimate the effects of excess contributions. Those who exceed the caps on both concessional and non-concessional contributions could be taxed as much as 93% on some contributions. This means that some contributions could be almost completely obliterated by tax.

## Contact us

For further clarification on the above or for information on how we can help you, please contact us:

### Phillipsons Accounting Services Pty Ltd

388 Raymond Street

Sale Vic. 3850

Phone: 03 5144 4566

Fax: 03 5144 5403

Phillipsons Accounting Services Pty Ltd ABN 89 103 720 190, registered office 388 Raymond Street Sale Vic 3850, has not taken into account any particular person's objectives, financial situation or needs in preparing this summary. Investors should, before acting on this information, consider the appropriateness of this information having regard to their personal objectives, financial situation or needs. We recommend that investors obtain financial advice specific to their situation before making any financial investment or insurance decision.

From time to time Phillipsons Accounting Services or its employees or agents may have an interest in or receive pecuniary and non pecuniary benefits from the services mentioned herein.