



Superannuation funds excess contributions tax

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As the end of the financial year approaches, we strongly encourage super fund members to count all your contributions made during 2010-11 to check whether you are at risk of being subject to the excess contributions tax.

The last two financial years have seen a high number of taxpayers caught out due to excess contributions from salary sacrifice arrangements and members not keeping track of the dates on which employers have paid contributions on their behalf.

The concessional cap for 2010-11 has been set at \$25,000 for members under 50 and at \$50,000 for members over 50.

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 2010-11.

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

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