



TAX, ACCOUNTING
& FINANCIAL SERVICES
working to achieve your goals

The TMS 2020/2021 Year End Information



2020/21 Supplement

Contents

Note: All rates and thresholds provided are for the 2021 income year, unless stated otherwise.

2021 Individual Income Tax Return Checklist.....	20-25
Capital Gains Tax ('CGT') Improvement Threshold	19
Car Depreciation Cost Limit	18
Cents Per Kilometre Rate for Car Deductions	18
Consumer Price Index Rates.....	19
FBT Rates and Thresholds – 2022 & 2021.....	17
Genuine Redundancy Payments – Tax-free Amounts	18
Goods Taken from Stock for Private Use	19
HELP Repayment Rates and Thresholds	18
Key Superannuation Rates and Thresholds	14-16
Medicare Levy	4-5
Medicare Levy Surcharge	6
Personal Tax Offsets.....	7-11
Pro-rated Tax-free Threshold – Ceasing or Becoming a Resident	3
Rates of Tax:	
– Complying Superannuation Funds	14
– Companies	13
– Individuals.....	3-4
– Trustees	12
Trading Stock: Valuation of Natural Increase – Prescribed Cost Rates	19

DISCLAIMER

This publication has been prepared for the members of the National Tax & Accountants' Association Ltd. Anyone intending to apply the information to practical circumstances should independently verify the information and its applicability to their particular circumstances.

Individual Rates of Tax - 2020/21

Resident Individual

The following rates apply to resident individuals for the 2021 income year:

Taxable Income \$	Tax Payable ¹
0 - 18,200 ²	Nil
18,201 - 45,000	19% of excess over \$18,200
45,001 - 120,000	\$5,092 + 32.5% of excess over \$45,000
120,001 - 180,000	\$29,467 + 37% of excess over \$120,000
180,001+	\$51,667 + 45% of excess over \$180,000

- The above rates do not include the Medicare levy of 2%.
- The tax-free threshold may effectively be higher for taxpayers eligible for the Low Income Tax Offset, the Low and Middle Income Tax Offset, the Seniors and Pensioners Tax Offset and/or certain other tax offsets.

Pro-Rated Tax-free Threshold - Ceasing or Becoming a Resident

The tax-free threshold that applies to resident individuals (\$18,200 in 2020/21) is pro-rated in an income year in which a taxpayer either ceased to be, or became, a resident for tax purposes. For the 2021 income year, the pro-rated threshold is calculated using the following formula:

$$\$13,464 + (\$4,736 \times \text{number of months taxpayer was resident for the year} \div 12)$$

Non-resident Individual

The following rates apply to individuals who are not residents of Australia for tax purposes for the entire income year:

Taxable Income \$	Tax Payable ¹
0 - 120,000	32.5% of the entire amount
120,001 - 180,000	\$39,000 + 37% of excess over \$120,000
180,001+	\$61,200 + 45% of excess over \$180,000

- Medicare Levy is not payable by non-residents.

Working Holiday Makers

The following rates apply to the 'working holiday taxable income' of an individual who is a 'working holiday maker' (e.g., if they hold a subclass 417 visa):

Working Holiday Taxable Income \$	Tax Payable ¹
0 - 45,000	15% of the entire amount
45,001 - 120,000	\$6,750 + 32.5% of excess over \$45,000
120,001 - 180,000	\$31,125 + 37% of excess over \$120,000
180,001+	\$53,325 + 45% of excess over \$180,000

- The above rates do not include the Medicare levy of 2%. Note, however, that the Medicare levy is not payable by working holiday makers that are non-residents for tax purposes.

Resident Minor – Unearned (Division 6AA) Income

The following rates apply to the income of certain resident minors (e.g., resident persons who are under 18 years of age on the last day of the income year and are not in a full-time occupation) that is **not** 'excepted income':

Division 6AA Eligible Taxable Income \$	Tax Payable ^{1,2}
0 - 416	Nil
417 - 1,307	66% of excess over \$416
1,308+	45% of the entire amount

1 Medicare Levy may also be payable.

2 Resident minors are not entitled to the Low Income Tax Offset or the Low and Middle Income Tax Offset in respect of 'unearned' income.

Non-resident Minor – Unearned (Division 6AA) Income

The following rates apply to the income of certain non-resident minors (e.g., non-resident persons who are under 18 years of age on the last day of the income year and are not in a full-time occupation) that is **not** 'excepted income':

Division 6AA Eligible Taxable Income \$	Tax Payable ¹
0 - 416	32.5% of the entire amount
417 - 663	\$135.20 + 66% of excess over \$416
664+	45% of the entire amount

1 The Medicare Levy is not payable by non-residents.

Medicare Levy – 2020/21

General Rate

Income Year	Rate
2021	2% of taxable income

Low-income Thresholds – Individuals

Single Taxpayer	Threshold Amount ¹ \$	Phase-in Limit ² \$	2% at or Above ³ \$
Single taxpayer not eligible for Seniors and Pensioners Tax Offset	23,226	23,227 - 29,032	29,033
Single taxpayer eligible for Seniors and Pensioners Tax Offset	36,705	36,706 - 45,881	45,882

1 No Medicare Levy is payable on taxable income levels at or below the Threshold Amount.

2 If taxable income falls within the Phase-in Limit, the Medicare Levy is payable at 10% of the excess over the Threshold Amount.

3 The Medicare Levy of 2% applies to the entire amount of taxable income.

Low-income Thresholds – Families

A taxpayer may be eligible to pay no, or a reduced, Medicare Levy if their family income is within the thresholds set out below, and the taxpayer:

- ◆ has a spouse (including a de facto, same or opposite sex spouse) on the last day of the income year; or
- ◆ has not remarried after their spouse died during the income year; or
- ◆ is entitled to the Dependant (Invalid and Carer) Tax Offset in respect of the taxpayer's child; or
- ◆ is entitled to a notional tax offset by having sole care of another individual who is either under age 21 or under age 25 and a full-time student.

The 2020/21 Medicare Levy low-income thresholds for families are as follows:

No. of Dependent Children/Students	Family Income Threshold ¹ \$	Reduced Levy ² \$	2% at or Above ³ \$
Taxpayer Not Eligible for Seniors and Pensioners Tax Offset			
0	39,167	39,168 – 48,958	48,959
1	42,764	42,765 – 53,454	53,455
2	46,361	46,362 – 57,950	57,951
3	49,958	49,959 – 62,446	62,447
4	53,555	53,556 – 66,942	66,943
5	57,152	57,153 – 71,438	71,439
Extra child	3,597		4,496
Taxpayer Eligible for Seniors and Pensioners Tax Offset			
0	51,094	51,095 – 63,867	63,868
1	54,691	54,692 – 68,363	68,364
2	58,288	58,289 – 72,859	72,860
3	61,885	61,886 – 77,355	77,356
4	65,482	65,483 – 81,851	81,852
5	69,079	69,080 – 86,347	86,348
Extra child	3,597		4,496

1 'Family Income' is the combined taxable income of a taxpayer and their spouse. If the taxpayer does not have a spouse, Family Income is the taxpayer's taxable income only. No Medicare Levy is payable on taxable income levels at or below the Family Income Threshold.

2 Where 'Family Income' falls within the range stated in this column, then each spouse who is liable for the Medicare levy will receive a reduction in the amount that is otherwise payable, in accordance with the formula in S.8(2) of the *Medicare Levy Act 1986*. This effectively limits the levy payable by taxpayers with families to 10% of the amount of Family Income that exceeds their Family Income Threshold.

3 More specifically, where 'Family Income' equals or exceeds the amount stated in this column, then the levy payable by each spouse will be determined separately in accordance with the relevant threshold set out on page 4.

Medicare Levy Surcharge - 2020/21

Resident taxpayers may be liable for a Medicare levy surcharge ('MLS') of 1%, 1.25% or 1.5% (i.e., in addition to the 2% Medicare Levy) for any period in an income year when they did not have an appropriate level of private patient hospital cover for themselves, their spouse and dependent children (subject to certain exceptions for 'prescribed persons'), if they exceed the relevant income threshold.

'Income for surcharge purposes' is defined in S.995-1(1) of the ITAA 1997). Generally, this broadly includes taxable income for the income year (subject to certain adjustments), reportable fringe benefits total, reportable superannuation contributions and total net investment losses.

Where the MLS applies, it is levied on a taxpayer's taxable income, reportable fringe benefits and on any amounts on which family trust distribution tax has been paid.

The table below sets out the 2020/21 income thresholds and MLS rates applicable to the following:

- Taxpayers who were single for the whole income year.
- Taxpayers who were married (including de facto, same, or opposite sex partners) and/or had at least one 'dependent child' for the whole income year.

	Base Tier \$	Tier 1 \$	Tier 2 \$	Tier 3 \$
Medicare Levy Surcharge Income Thresholds				
Singles	90,000 or less	90,001 - 105,000	105,001 - 140,000	140,001+
Families and Couples^{1,2}				
0 or 1 dependant	180,000 or less	180,001 - 210,000	210,001 - 280,000	280,001+
2 dependants	181,500 or less	181,501 - 211,500	211,501 - 281,500	281,501+
3 dependants	183,000 or less	183,001 - 213,000	213,001 - 283,000	283,001+
4 dependants	184,500 or less	184,501 - 214,500	214,501 - 284,500	284,501+
5 dependants	186,000 or less	186,001 - 216,000	216,001 - 286,000	286,001+
Each extra child	1,500	1,500	1,500	1,500
Medicare Levy Surcharge Rate³				
Rate	0.0%	1.0%	1.25%	1.5%

1 For a couple, their combined 'income for surcharge purposes' is generally applied against the family threshold. However, any liability for the MLS is levied on each taxpayer's own taxable income, reportable fringe benefits and any amounts on which family trust distribution tax has been paid. Note, if the 'income for surcharge purposes' of one member of the couple does not exceed the applicable Medicare levy low income threshold (being \$23,226 for 2020/21), that member is not liable for the MLS.

2 If the taxpayer is not married (or in a de facto relationship) but has one or more dependants, only the taxpayer's 'income for surcharge purposes' is taken into account. For these purposes, a dependant is a resident child that is aged less than 21 years (or between 21 years and less than 25 years and receiving full-time education at a school, college or university) and the taxpayer contributed to the maintenance of the child.

Note, where a taxpayer's circumstances change during the income year (e.g, the taxpayer marries, or ceases to be married), the MLS is calculated separately for each of these periods, based broadly on the above rules.

Personal Tax Offsets – 2020/21

Dependant (Invalid and Carer) Tax Offset

A taxpayer may be entitled to the Dependant (Invalid and Carer) Tax Offset ('DICTO') broadly, if they:

- maintain their spouse, who is an invalid or who cares for an eligible invalid;
- maintain their parent or their spouse's parent, who lives in Australia and is an invalid or who cares for an eligible invalid; or
- maintain their or their spouse's invalid child, brother or sister who is aged 16 years or older.

Note, the ATO generally refers to this offset as the **Invalid and Invalid Carer Tax Offset** to avoid the impression that it may be claimed with respect to any dependant of a taxpayer.

The maximum offset and adjusted taxable income ('ATI') amounts for 2020/21 are as follows:

Maximum Offset Amount ¹ \$	Maximum ATI ² \$
2,816	11,546

- 1 The offset reduces by \$1 for every \$4 by which the dependant's ATI exceeds \$282 and cuts out if the maximum ATI is reached.
- 2 To claim the DICTO for a dependant other than a spouse, the combined ATI of the taxpayer and their spouse (if applicable) must not exceed \$100,000. If claiming for a spouse, the taxpayer's ATI must not exceed \$100,000. An individual's ATI includes their taxable income and any adjusted fringe benefits total, tax-free pensions or benefits, target foreign income, reportable superannuation contributions and total net investment losses, less any deductible child maintenance expenditure for the year.

Notionally Retained Dependant Tax Offsets

The following tax offsets have been abolished, but have been notionally retained for other purposes (e.g., for calculating a taxpayer's entitlement to the Zone Tax Offset and/or Overseas Forces Tax Offset):

Description	Max Offset \$	Max ATI \$
First child under 21 (not being a student)	376	1,786
Each other child under 21 (not being a student)	282	1,410
Each student under 25	376	1,786
Sole parent	1,607	N/A

Low Income Tax Offset

Resident individuals (including trustees assessed under S.98 of the ITAA 1936 in respect of presently entitled resident beneficiaries) may be entitled to the Low Income Tax Offset ('LITO').

Taxable Income \$	Tax Offset¹
0 - 37,500	\$700
37,501 - 45,000	\$700 - (5% of excess over \$37,500)
45,001 - 66,667	\$325 - (1.5% of excess over \$45,000)
66,668+	Nil

1 A minor who is not an 'excepted person' is ineligible to apply the LITO to reduce tax on their unearned (i.e., Div. 6AA) income.

Low and Middle Income Tax Offset

Resident individuals (including trustees assessed under S.98 of the ITAA 1936 in respect of presently entitled resident beneficiaries) may be entitled to the Low and Middle Income Tax Offset ('LMITO').

Taxable Income \$	Tax Offset¹
0 - 37,000	\$255
37,001 - 48,000	\$255 + 7.5% of excess over \$37,000
48,001 - 90,000	\$1,080
90,001 - 126,000	\$1,080 - 3% of excess over \$90,000
126,001+	Nil

1 A minor who is not an 'excepted person' is ineligible to apply LMITO to reduce tax on their unearned (i.e., Div. 6AA) income.

Private Health Insurance Tax Offset

The Private Health Insurance ('PHI') tax offset (or rebate) is a Government contribution towards the cost of complying policies covering hospital, general treatment or both. 'Tiers' based on 'income for surcharge purposes' (see page 6) and age are used to determine the rebate percentage and amount.

The rebate percentages are indexed on 1 April each year. Therefore, two percentages apply in calculating a taxpayer's rebate for an income year - one for the period 1 July to 31 March, and one for 1 April to 30 June.

The income thresholds and rebate percentages that apply for the 2021 income year are as follows:

	Base Tier \$	Tier 1 \$	Tier 2 \$	Tier 3 \$
Income Thresholds				
Singles¹	90,000 or less	90,001 - 105,000	105,001 - 140,000	140,001+
Families/Couples²				
0 or 1 dependant	180,000 or less	180,001 - 210,000	210,001 - 280,000	280,001+
2 dependants	181,500 or less	181,501 - 211,500	211,501 - 281,500	281,501+
3 dependants	183,000 or less	183,001 - 213,000	213,001 - 283,000	283,001+
4 dependants	184,500 or less	184,501 - 214,500	214,501 - 284,500	284,501+
5 dependants	186,000 or less	186,001 - 216,000	216,001 - 286,000	286,001+
Each extra child	1,500	1,500	1,500	1,500
Oldest person on policy is:	Rebate 1 July 2020 to 31 March 2021			
- aged under 65	25.059%	16.706%	8.352%	0%
- aged 65 - 69	29.236%	20.883%	12.529%	0%
- aged 70 or over	33.413%	25.059%	16.706%	0%
Oldest person on policy is:	Rebate 1 April 2021 to 30 June 2021			
- aged under 65	24.608%	16.405%	8.202%	0%
- aged 65 - 69	28.710%	20.507%	12.303%	0%
- aged 70 or over	32.812%	24.608%	16.405%	0%

- 1 A 'single' taxpayer is someone who is not married on the last day of the income year and has no dependent children or siblings.
- 2 A person will generally be assessed under the 'families/couples' tier thresholds if:
 - the person is married on the last day of the income year (including a de facto couple) - in this case, the combined income for surcharge purposes of the taxpayer and their spouse is used; or
 - at any time during the year, the person contributes in a substantial way to the maintenance of a dependent child who is either the person's child (as defined in S.995-1 of the ITAA 1997), or the person's sibling who is dependent on them for economic support.

Seniors and Pensioners Tax Offset

The Seniors and Pensioners Tax Offset ('SAPTO') is broadly available to an individual who:

- ◆ on at least one day during the income year is eligible for a pension, allowance or benefit under the *Veterans' Entitlements Act 1986*, has reached pension age under that Act and is not in jail; or
- ◆ on at least one day during the income year is qualified for an age pension under the *Social Security Act 1991* and is not in jail; or
- ◆ has included in their assessable income: (a) a social security pension or education entry payment (as defined in the *Social Security Act 1991*); or (b) a service pension, carer service pension, income support supplement or Defence Force Income Support Allowance (DFISA), as defined in the *Veterans' Entitlements Act 1986*, or DFISA-type payment mentioned in Div. 4 of Part VIIAB of that Act; and on at least one day during the income year, is not in jail.

The individual's 'rebate income' for the income year must be less than a prescribed amount (refer to the table below). Rebate income of an individual for an income year is calculated as the sum of their:

- (a) taxable income for the year (excluding any assessable FHSS released amount);
- (b) reportable superannuation contributions for the year;
- (c) total net investment loss for the year; and
- (d) adjusted fringe benefits total for the income year.

The 2020/21 maximum offset and threshold amounts for SAPTO are as follows:

Family Situation ^{1,2}	Maximum Offset \$	Shade-out Threshold ³ \$	Cut-out Threshold ³ \$
Single	2,230	32,279	50,119
Each member of a couple ⁴	1,602	28,974	41,790
Each member of a couple separated due to illness or because one was in a nursing home ³	2,040	31,279	47,599

- 1 For a taxpayer who is a member of a couple (married or de facto, whether of the same or oppositesex), eligibility for SAPTO is established by halving the combined 'rebate income' of the taxpayer and their spouse and comparing this amount to the relevant Cut-out Threshold. If this figure is below the Cut-out Threshold, then the amount of each person's SAPTO entitlement depends on their own 'rebate income' and their eligibility for any unused portion of their spouse's SAPTO. If the Cut-out Threshold is reached, neither person is eligible for SAPTO.
- 2 A person married for part of the year can claim on whatever basis gives them the highest entitlement.
- 3 The maximum SAPTO reduces by 12.5 cents for each dollar of 'rebate income' over the Shade-out Threshold and reduces to nil for rebate income levels at or above the Cut-out Threshold.
- 4 If both the taxpayer and their spouse are eligible for SAPTO, any unused portion of the spouse's offset may be transferred to the taxpayer, broadly if the tax payable by the taxpayer exceeds their offset entitlement.

Superannuation Spouse Contribution Tax Offset

The tax offset applies to non-concessional contributions a taxpayer makes for their low-income earning or non-working spouse (married or de facto). The amount of the offset for 2020/21 is set out in the table below.

Spouse's Assessable Income (SAI) ^{1,2} \$	Maximum Rebatable Contributions (MRC) \$	Maximum Offset ³ \$
0 - 37,000	3,000	540
37,001 - 39,999	3,000 - [SAI - 37,000]	MRC x 18%
40,000+	Nil	Nil

- Including reportable fringe benefits and reportable employer superannuation contributions.
- No offset is available if the spouse exceeds their non-concessional contributions cap for 2020/21 or their total superannuation balance (as at 30 June 2020) equals or exceeds the general transfer balance cap for 2020/21 of \$1.6 million.
- The offset is calculated as 18% of the actual contributions, if this results in a lower amount.

Zone Tax Offset

Taxpayers who are 'residents' of specified remote areas in Australia (divided into Zone A and B and special areas within each zone) may be entitled to the Zone Tax Offset. Generally, a taxpayer is a resident of a zone if they reside there (not necessarily continuously) for 183 days or more.

For a list of locations currently in a zone or special area, refer to the 'Australian Zone List', which can be found on the ATO website.

The zone tax offset levels for the 2021 income year are as follows:

Description ^{1,2}	Maximum Offset ³ \$
Zone A	338 + 50% of the relevant rebate amount ⁴
Zone B	57 + 20% of the relevant rebate amount ⁴
Special area (Zone A and B)	1,173 + 50% of the relevant rebate amount ⁴

- The Zone A offset applies to a taxpayer who is a resident of Zone A and has not resided or been in the special area of either zone (these areas are particularly isolated) during the year. The Zone B offset applies to a taxpayer who is a resident of Zone B and has not resided or been in Zone A, or the special area of either zone during the year. In other situations where a taxpayer resided in a zone for part of the year, the Commissioner may determine a reasonable amount of tax offset to be claimed.
- The offset is limited to people who are genuinely living (i.e, who have their usual place of residence) in a prescribed zone. As a result, it is not available to fly-in-fly-out and drive-in-drive-out workers who work in a particular zone during the income year, but who otherwise have their usual place of residence located outside of the zone in which they are working.
- Eligible taxpayers may claim both the DICTO and either the ZTO or the Overseas Forces Tax Offset.
- The 'relevant rebate amount' is the total of certain rebates or notional rebates to which the taxpayer is entitled or deemed to be entitled. Refer to page 7.

Key Trustee Rates of Tax – 2020/21

S.98(1) and (2) Assessments – Resident Beneficiary

The following rates apply where an individual resident beneficiary presently entitled to a share of the income of a trust is under a legal disability or, is not under a legal disability and is deemed to be presently entitled to a share of the income by virtue of S.95A(2) of the ITAA 1936.

Taxable Income \$	Rate ¹ %
Ordinary Income²	
0 – 18,200	Nil
18,201 – 45,000	19% of excess over \$18,200
45,001 – 120,000	\$5,092 + 32.5% of excess over \$45,000
120,001 – 180,000	\$29,467 + 37% of excess over \$120,000
180,001+	\$51,667 + 45% of excess over \$180,000
Division 6AA Eligible Taxable Income (ETI)²	
0 – 416	Nil ³
417 – 1,307	66% of excess over \$416
1,308+	45% of the entire amount

- The 2% Medicare Levy is not included, but may apply.
- Assuming the individual is a beneficiary of only one trust.
- If the ETI is under \$416, it is added to other non-ETI and taxed at normal marginal rates.

S.99 Trustee Assessment – Resident Deceased Estate

The rates below apply where a trustee is assessed under S.99 of the ITAA 1936 in respect of a resident deceased estate.

Where the date of death is less than three years before the end of the income year, the trustee is assessed as a resident individual. Thereafter, the rates apply without the benefit of the full tax-free threshold.

Taxable Income \$	Rate ¹ %
Less than 3 years since death	
0 – 18,200	Nil
18,201 – 45,000	19% of excess over \$18,200
45,001 – 120,000	\$5,092 + 32.5% of excess over \$45,000
120,001 – 180,000	\$29,467 + 37% of excess over \$120,000
180,001+	\$51,667 + 45% of excess over \$180,000
3 years or more since death	
0 – 416	Nil
417 – 670	50% of excess over \$416
671 – 45,000	\$127.30 + 19% of excess over \$670 ²
45,001 – 120,000	\$8,550 + 32.5% of excess over \$45,000
120,001 – 180,000	\$32,925 + 37% of excess over \$120,000
180,001+	\$55,125 + 45% of excess over \$180,000

- The 2% Medicare Levy does not apply to S.99 assessments of deceased estate trustees.
- If taxable income exceeds \$670, the entire amount is taxed at 19%.

Company Rates of Tax - 2020/21

A reduced corporate tax rate applies in respect of a corporate tax entity that is a Base Rate Entity ('BRE').

For the 2021 income year, a company is a BRE if the company's aggregated turnover for the income year is less than \$50 million, and 80% or less of the company's assessable income for the year is 'BRE passive income' (as defined in S.23AB of the *Income Tax Rates Act 1986*).

General Company Tax Rate

Description of Taxpayer	Rate ¹
Company that is a BRE	26%
Private company (non-BRE)	30%
Public company (non-BRE)	30%
Corporate limited partnership (non-BRE)	30%
Public trading trust (non-BRE)	30%
Strata title body corporate (non-BRE)	30%

¹ The rates in this table do not apply to Retirement Savings Account Providers, Life Insurance Companies, Pooled Development Funds, credit unions or non-profit companies.

Non-profit Company Tax Rates (other than BREs)

Taxable Income	Rate
\$0 - \$416	Nil
\$417 - \$915	55% of excess over \$416
\$916+	30% of the entire amount

Non-profit BRE Company Tax Rates

Taxable Income	Rate
\$0 - \$416	Nil
\$417 - \$788	55% of excess over \$416
\$789+	26% of the entire amount

Key Super Rates and Thresholds - 2020/21

Complying Superannuation Fund Rates of Tax

Type of Receipt	Rate %
Earnings (except non-arm's length income and exempt pension income)	
- Income received, including realised (non-discount) capital gains	15
- Discount capital gains (asset held for 12 months or more) ¹	10
Employer Contributions^{2,3}	
- All employer contributions (except any portion covered by S.295-180 choice ⁴)	15
Personal Contributions²	
- Portion covered by S.290-170 notice (of intention to claim a deduction) ³	15
- All other personal contributions (no S.290-170 notice)	0
Other Contributions	
- Spouse contributions (where contributor cannot deduct the contribution) (S.295-165)	0
- Contributions for minor (not by an employer) (S.295-170)	0
- Government Co-contributions (S.295-170)	0
- Generally, all other contributions (except any portion covered by S.295-180 choice ⁴)	15
Roll-overs originating from taxable source (e.g., another complying fund) ⁵	
- tax-free component and taxable component (taxed element)	0
- taxable component (untaxed element) ⁵	15
Non-arm's Length Income (less attributable deductions) - S.295-550	45

- 1 This is the effective tax rate (calculated as 15% fund rate x two-thirds of discount capital gain).
- 2 Additional tax applies to contributions received for a member who has not quoted their TFN. However, an offset is generally available if the TFN is provided within three years after the year of the contribution.
- 3 Additional ('Div. 293') tax of 15% may apply to concessional contributions made in respect of a member whose 'income' exceeds \$250,000. The tax is assessed to the member, but they may choose to have the fund pay it.
- 4 The choice applies to contributions made to a public sector super scheme (except one that commenced after 5 September 2006). The portion of contributions covered by a S.295-180 choice is not assessable.
- 5 A rollover benefit is taxed in the receiving fund to the extent it is not an 'excess untaxed rollover amount'.

Concessional Contributions - General Cap

Concessional contributions include employer contributions (including contributions made under a salary sacrifice arrangement) and personal contributions claimed as a tax deduction.

Income Year	Cap Amount ^{1,2}
2020/21	\$25,000

- 1 From 2018/19, individuals with a total superannuation balance of less than \$500,000 can make additional concessional contributions if they have unused cap amounts. Unused carried forward amounts expire after five years.
- 2 From 1 July 2021, the concessional contributions cap will be \$27,500 as a result of indexation.

Non-concessional Contributions ('NCCs') - General Cap

NCCs include personal contributions for which taxpayers do not claim a tax deduction¹.

Income Year	Cap Amount
2020/21	\$100,000 ^{1,2}

- 1 An individual's NCCs cap will be \$0 if their Total Superannuation Balance on 30 June 2020 was greater than or equal to the general transfer balance cap of \$1.6 million.
- 2 From 1 July 2021, the annual NCCs cap will be \$110,000 as a result of indexation.

Non-concessional Contributions ('NCCs') - Bring-forward

An individual's NCCs cap may be higher under the 'bring-forward rule', broadly if:

- a NCC is made in excess of the annual cap (e.g., \$100,000 for 2020/21);
- the individual is under 65 years of age at any time in the income year in which the rule is first triggered (the 'work test' may also need to be considered); and
- they are not already in an active bring-forward period.

The period over which the 'bring-forward rule' applies varies, broadly depending on the member's Total Superannuation Balance ('TSB') on 30 June of the income year before the year in which the rule is triggered.

The table below sets out the NCCs cap where the bring-forward rule is triggered in 2020/21:

Total Superannuation Balance on 30 June 2020	NCCs Cap for the Bring-forward Period ²	Bring-forward Period
Less than \$1.4 million	\$300,000	3 years
\$1.4 million to less than \$1.5 million	\$200,000	2 years
\$1.5 million to less than \$1.6 million	\$100,000	N/A (i.e., general NCCs cap applies)
\$1.6 million or more	\$0	N/A

- 1 A proposal to change the age limit to 66 years or younger from 2020/21 is currently before Parliament.
- 2 NCCs made over the bring-forward period must not exceed the remaining cap (i.e., the NCCs cap less the NCCs made in the income year the bring-forward was triggered). Note also that access to the remaining cap in the second or third year of the bring-forward period is subject to the individual's Total Superannuation Balance on 30 June of the previous income year being less than the general transfer balance cap.

CGT Cap Amount

An individual may elect for certain contributions made in connection with applying the CGT small business 15-year or retirement exemptions to count towards their lifetime CGT cap rather than their non-concessional contributions cap.

Income Year	Amount of Cap
2020/21	\$1.565 million

Government Co-contribution

If an individual is a low or middle income earner (and satisfies other eligibility requirements), and makes personal (non-concessional) contributions, the Government will make a co-contribution of \$0.50 for every \$1 contributed, up to a maximum amount. The co-contribution income thresholds and maximum amount for 2020/21 are as follows:

Total Income ¹	Maximum Co-contribution ²
\$0 - \$39,837	\$500
\$39,838 - \$54,837	\$500 - [3.333% x (Total Income - \$39,837)]
\$54,838 +	Nil

- 1 'Total Income' is the sum of assessable income, the reportable fringe benefits total and reportable employer superannuation contributions. If the individual carries on business, deductions may be taken into account in certain circumstances.
- 2 An individual is ineligible for a co-contribution for 2020/21 if their non-concessional contributions ('NCCs') exceed their NCC cap or their Total Superannuation Balance on 30 June 2020 is \$1.6 million or more.

General Transfer Balance Cap

The general transfer balance cap is used for various purposes, including to determine:

- ◆ the total capital amount that can be transferred into the retirement (pension) phase; and
- ◆ eligibility for making non-concessional contributions.

Income Year	General Transfer Balance Cap ¹
2020/21	\$1.6 million

1 From 1 July 2021, the general transfer balance cap will be \$1.7 million as a result of indexation.

Lump Sum Superannuation Benefits - Low Rate Cap Amount

The application of the low rate threshold for superannuation lump sum payments is capped. The low rate cap amount is reduced by any amount previously applied to the low rate threshold.

Income Year	Cap Amount ¹
2020/21	\$215,000

1 From 1 July 2021, the low rate cap amount will be \$225,000 as a result of indexation.

Superannuation Guarantee Rate

Employers who provide less than a prescribed level of superannuation support (the 'charge percentage') for their eligible employees will be liable to pay a superannuation guarantee charge based on the shortfall.

Income Year	Charge Percentage ¹
2020/21	9.5%

1 From 1 July 2021, the charge percentage will be 10%.

Superannuation Guarantee - Maximum Contributions Base

Income Year	Maximum Employee Earnings (per quarter) ^{1,2}
2020/21	\$57,090

1 For superannuation guarantee purposes, employers do not have to provide superannuation support for a quarter on that part of an individual employee's earnings base above this limit.

2 From 1 July 2021, the maximum contributions base will be \$58,920.

FBT Rates and Thresholds - 2022 & 2021

FBT Rate and Gross-up Rates

FBT Year Ended 31 March	FBT Rate	Type 1 Gross-up Rate	Type 2 Gross-up Rate
2022	47%	2.0802	1.8868
2021	47%	2.0802	1.8868

Car Fringe Benefits - Statutory Formula Method - Statutory Fraction

Annualised kilometres	Agreements in existence before 7.30pm 10 May 2011	Agreements entered into from 7.30pm 10 May 2011
0 - 14,999	26%	20%
15,000 - 24,999	20%	20%
25,000 - 40,000	11%	20%
40,001+	7%	20%

Motor Vehicle (other than a Car) - Residual Benefits - Cents per Kilometre Rates

Engine Capacity	2022 FBT Year	2021 FBT Year
0 - 2,500cc	\$0.56	\$0.56
2,501cc+	\$0.67	\$0.67
Motorcycles	\$0.17	\$0.17

Benchmark Interest Rate for Loan Fringe Benefits

FBT Year Ended 31 March	Rate
2022	4.52%
2021	4.80%

Car Parking Threshold

FBT Year Ended 31 March	Threshold
2022	\$9.25
2021	\$9.15

Record Keeping Exemption Threshold

FBT Year Ended 31 March	Threshold
2022	\$8,923
2021	\$8,853

Other Key Rates and Thresholds - 2020/21

HELP Repayment Rates and Thresholds

Compulsory repayments of Higher Education Loan Programme ('HELP') and other study and training loans are based on a taxpayer's 'repayment income'.

Repayment income is calculated as taxable income plus any total net investment loss, total reportable fringe benefits, exempt foreign employment income and reportable superannuation contributions.

The repayment income thresholds and rates for the 2021 income year are as follows:

Repayment Income \$	Rate %	Repayment Income \$	Rate %
0 - 46,619	0	85,793 - 90,939	6
46,620 - 53,826	1	90,940 - 96,396	6.5
53,827 - 57,055	2	96,397 - 102,179	7
57,056 - 60,479	2.5	102,180 - 108,309	7.5
60,480 - 64,108	3	108,310 - 114,707	8
64,109 - 67,954	3.5	114,708 - 121,698	8.5
67,955 - 72,031	4	121,699 - 128,999	9
72,032 - 76,354	4.5	129,000 - 136,739	9.5
76,355 - 80,935	5	136,740+	10
80,936 - 85,792	5.5		

Genuine Redundancy Payments - Tax-free Amounts

For the 2021 income year, the tax-free amount of a genuine redundancy payment is calculated as follows:

\$10,989 + \$5,496 for each completed year of service

Cents Per Kilometre Rate for Car Deductions

Under the cents per kilometre method, a single rate is used for claiming car deductions - up to a maximum of 5,000 business kilometres per car (if applicable).

Income Year	Rate per Kilometre
2020/21	72 cents

Car Depreciation Cost Limit

The depreciation cost limit applies to the income year in which a car is acquired or first held.

Income Year	Cost Limit ¹
2020/21	\$59,136

¹ A hearse is not subject to the depreciation car limit.

Capital Gains Tax ('CGT') Improvement Threshold

Certain improvements to pre-CGT assets are deemed to be separate (post-CGT) assets for CGT purposes if the cost base of the improvement and any related improvements exceeds both:

- ◆ the improvement threshold for the income year in which a CGT event happens in relation to the original asset (e.g., the sale of the asset); and
- ◆ 5% of the capital proceeds from the event.

Income Year	Improvement Threshold
2020/21	\$155,849

Consumer Price Index Rates

Quarter Ending 30 September 2020	Quarter Ending 31 December 2020	Quarter Ending 31 March 2021	Quarter Ending 30 June 2021
116.2	117.2	117.9	Not Available

Trading Stock: Valuation of Natural Increase - Prescribed Cost Rates

Description	Rate per Head	Description	Rate per Head
Cattle	\$20.00	Horses ¹	\$20.00
Deer	\$20.00	Pigs	\$12.00
Emus	\$8.00	Poultry	\$0.35
Goats	\$4.00	Sheep	\$4.00

¹ A horse's livestock cost will be the greater of the above or, the insemination service fee.

Goods Taken from Stock for Private Use

Type of Business	Adult/Child ¹	Child ¹
	Over 16 years	4-16 years
Bakery	\$1,350	\$675
Butcher	\$900	\$450
Restaurant/cafe (licensed)	\$4,640	\$1,810
Restaurant/cafe (unlicensed)	\$3,620	\$1,810
Caterer	\$3,830	\$1,915
Delicatessen	\$3,620	\$1,810
Fruiterer/greengrocer	\$930	\$465
Take-away food shop	\$3,670	\$1,835
Mixed business (e.g., milk bar or convenience store)	\$4,460	\$2,230

¹ Amounts are GST-exclusive. Refer to TD 2021/1 for further details.