

Federal Budget 2021 – 2022

Acclaim
WEALTH



Last night the Federal Treasurer, The Hon Josh Frydenberg MP handed down the 2021-2022 Federal Budget. As expected, the focus of this budget was to maintain and grow Australia's post-pandemic economic recovery.

Key Highlights

The four significant proposed superannuation changes include:

- 1. Removal of the \$450 monthly income threshold of super contributions** – The current threshold prevents an estimated 300,000 low paid workers, 63% of whom are female, from receiving mandatory employer super contributions. *Proposed start date: 1 July 2022*
- 2. New age threshold for downsizers** – Retirees who downsize their family home will be able to contribute \$300,000 to superannuation (\$600,000 for couples) at age 60, down from age 65. *Proposed start date: 1 July 2022*
- 3. New threshold for First Home Super Saver Scheme** – The Government proposes to increase the maximum amount of voluntary contributions to \$50,000. At present these contributions are capped at \$15,000 a year and \$30,000 in total across all years. *Proposed start date: 1 July 2022*
- 4. Work test abolished for those aged between 67- and 74-years** allowing individuals aged 67 to 74 years (inclusive) to make or receive non-concessional (including under the bring-forward rule) or salary sacrifice superannuation contributions without meeting the work test, subject to existing contribution caps. Individuals aged 67 to 74 years will still have to meet the work test to make personal deductible contributions. *Proposed start date: 1 July 2022*

Other proposed superannuation changes include:

- Stronger consumer protection – additional funding to APRA
- Transfer of unclaimed super to KiwiSaver accounts
- Legacy product conversions
- Pension loan scheme – No negative equity guarantee
- Super splitting – Family law



- Mediation and property disputes

More Information

If you would like to review the full budget, you can access further details via the budget website [here](#).

If there is anything you need assistance with, please contact your AMG Distribution contact via the details below.

Terry Constable
Head of Distribution and Partnerships
terry.constable@acclaimwealth.com.au
M: 0410 117 629

Aimie West
National Adviser Services Manager
aimie.west@acclaimwealth.com.au
M: 0403 309 345

Acclaim Wealth
PO Box 3528, Tingalpa DC QLD 4173
Phone: 1300 264 264
Fax: 07 3899 7299
Email: info@acclaimwealth.com.au

Issued by the Trustee:

Equity Trustees Superannuation Limited
ABN 50 055 641 757
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