

# October Budget 2022 – dot point summary of super aspects

November 2022

## **Increase in Com Penalty Unit**

- Increase to \$275 (presently \$222)
- Operative date 1 January 2023
- Example - breach of operating standard (such as failing to keep separate assets held by entity in its capacity as SMSF trustee from its personal capacity) - from 1 January 2023 the maximum penalty will be \$5,500 as against current maximum penalty of \$4,440

## **Previous Government's unlegislated tax/super measures – to be dumped**

- The proposal ((2016/17 Budget) to introduce Limited Partnership Collective Investment Vehicles - has been dumped
- Proposal (2018/19 Budget) to permit SMSFs to adopt 3 yearly audits - dumped
- Proposal (2018/19 Budget) to introduce a requirement for retirement income product providers to report standardised metrics in product disclosure statements - dumped

## **Previous Government's unlegislated tax/super measures – to be implemented (mostly deferred start dates)**

- Relaxing of residency requirements for SMSFs - from 1 July 2022 to the start of the income year commencing on or after date of Royal Assent of the relevant enabling legislation

## **No mention of legacy income streams**

- No mention of the May 2021 Budget proposal to allow legacy income streams to be converted to account-based income streams (subject to Transfer Balance Account space) or cashed out
- Consequently, it is unknown whether this proposal has been dumped or will be implemented

## **Downsizer Contributions – reducing minimum eligibility age of (beneficiaries) of Downsizer Contributions**

- To be reduced from age 60 to age 55
- Not change to the \$300,000 cap
- This change had been previously announced

## **Incentivising Pensioners to Downsize**

- Extending the asset test exemption for principal home sale proceeds from 12 months to 24 months for income support recipient (e.g. Age pension)

- Changing the income test (to apply the lower deeming rate - currently 0.25%) to principal home sale proceeds when calculating the deemed income for 24 months after the sale of the principal home
- Applies from 1 July 2022
- Measures previously announced and enacted (Act No 43 of 2022)

**Lifting the Income Threshold for the Commonwealth Seniors Health Card**

- Increase cut-off point to \$90,000 (currently \$61,284) - singles
- Increase cut-off point to \$144,000 (currently \$98,054) - couples
- Applies from 4 November 20022
- Measure previously announced and now enacted (Act No 43 of 2022)

For more information on any aspect covered in this article, please call SUPERCentral on 02 8296 6266 or email [info@supercentral.com.au](mailto:info@supercentral.com.au).