

## BUDGET UPDATE 2021/22 – How does this affect you and your retirement savings?

The Federal Budget 2021/22 was announced on Tuesday, 11 May 2021 and focussed on a range of initiatives to support Australia's post-pandemic economic recovery.

Most of the superannuation and retirement measures announced are changes or adjustments to existing measures. These changes are not yet legislated and will need to be passed by Parliament before they can come into effect.

We've outlined some key announcements below that may affect you and your retirement savings. If legislated, most of these measures will commence from 1 July 2022.

- Removal of the \$450 monthly minimum income threshold for super guarantee (SG) payments
- First home buyers will be able to release up to \$50,000 (up from \$30,000) of voluntary super contributions to purchase a home.
- Older Australians downsizing are currently able to contribute up to \$300,000 (\$600,000 for couples) to superannuation following the sale of their existing home. This scheme has been extended to people aged 60 and over, previously age 65 and over.
- Australians aged 67 to 74 (inclusive) will no longer need to satisfy the work test to salary sacrifice or make after-tax contributions into their super.

### Other upcoming changes to super

While not part of the Budget announcements, the following changes to super will take effect from 1 July 2021:

- **SG payments will increase from 9.5% to 10%**, gradually increasing to 12% over the next 5 years
- **The cap for concessional (before-tax) contributions** to super which include employer SG, salary sacrificed contributions and personal contributions for which you've claimed a tax deduction is **increasing to \$27,500 p.a.**, up from \$25,000 p.a.
- **The cap for non-concessional (after-tax) contributions** to super is **increasing to \$110,000 p.a.**, up from \$100,000 p.a.
- The amount that can be transferred from accumulation to a pension account, known as the **transfer balance cap, will increase to \$1.7 million for eligible members**, up from \$1.6 million.

### Your Future, Your Super legislation

The Your Future Your Super measures proposed in last October's budget, including a measure that will 'staple' you to your current super fund and apply 'performance testing' to many funds, are scheduled to come into effect on 1 July 2021. However, these measures have not yet been legislated.

We will keep you informed as these changes progress. If you have any questions in the meantime, you can contact us on 1800 033 426 or email [superannuation@bendigobank.com.au](mailto:superannuation@bendigobank.com.au).

For more on the Federal Budget 2021/22 visit [budget.gov.au](http://budget.gov.au).

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