



## 2018 BUDGET SUMMARY



Election year budgets are usually generous and this one is no exception. The Turnbull Government is hoping to win over low and middle income earners and seniors with tax relief and is hoping that the economy grows faster than economists think it will. There are lots of areas that the budget covers from roads to research and development to tax exemptions for the ICC World Twenty20. Below are the items that we think will be most important to you.

### **TAX RELIEF FOR LOW AND MEDIUM INCOME EARNERS**

A seven year Personal Income Tax Plan will be implemented in three steps, to introduce a low and middle income tax offset, to provide relief from bracket creep and to remove the 37% income tax bracket. In real terms this means a tax benefit of up to \$530.00 depending on your circumstances..

### **MEDICARE LEVY**

The Medicare levy low-income thresholds for singles, families, seniors and pensioners will be increased from the 2017/2018 income year. Plans in the previous budget to increase the Medicare Levy from 2% to 2.5% have been scrapped.

### **SMALL BUSINESS ASSET WRITE OFF**

The \$20,000 instant asset write-off will be extended by another year to 30 June 2019 for small businesses with a turnover of less than \$10 million.

### **SUPER FUND MEMBERSHIP**

The maximum number of allowable members in SMSF and Small APRA Funds will be increased from 1 July 2019 from four members to six members.

### **SUPER WORK TEST**

An exemption from the work test for voluntary contributions to superannuation will be introduced from 1 July 2019 for people aged 65-74 with superannuation balances below \$300,000 (in the first year that they do not meet the work test requirements).

### **HIGH INCOME EARNERS WITH EXCESS SUPER**

Individuals whose income exceeds \$263,157 and have multiple employers, will be able to nominate that their wages from certain employers are not subject to the superannuation guarantee (SG) from 1 July 2018.

*This budget summary is intended to provide information of a general nature only. We have not taken into account your personal financial situation or needs. For personal advice please contact Complete Commerce.*