

# Key superannuation rates

## Superannuation guarantee

### The superannuation guarantee charge percentage (%)

The superannuation guarantee requires employers to provide sufficient superannuation support for their employees. You are obliged to contribute a minimum of 9% of an eligible employee's earnings base to a complying superannuation fund or retirement savings account. Your contributions need to be made at least every quarter (that is, every three months).

The charge percentage is set out in the law. For 2002–03 and subsequent years, the rate is **9% of each employee's earnings base**.



If requiring percentages for prior years, please refer to Sections 20 and 21 of the Superannuation Guarantee (Administration) Act 1992, available from the [Legal Database](#).

## Maximum superannuation contribution base

The maximum superannuation contribution base is used to determine the maximum limit on any individual employee's earnings base for each quarter of any financial year. Employers do not have to provide the minimum support for the part of earnings above this limit.

Income year	Per quarter
2005–06	\$33,720
2004–05	\$32,180
2003–04	\$30,560
2002–03	\$29,220
2001–02	\$27,510
2000–01	\$26,300
1999–00	\$25,240
1998–99	\$24,480
1997–98	\$23,630
1996–97	\$22,590
1995–96	\$21,720
1994–95	\$20,780
1993–94	\$20,160
1992–93	\$20,000

## Superannuation age based contribution limits

Generally, superannuation contributions are deductible for income tax purposes in the year you make them, up to certain limits.

There have been recent legislative amendments in relation to the tax provisions affecting superannuation contributions. If you have any queries in relation to your entitlements, phone **13 10 20**.

The following limits apply to employers and their associates claiming deductions for contributions made for the benefit of an employee, and for individuals claiming a deduction for personal superannuation contributions.

## Deduction limits based on the age of the employee

Income year	Under age 35	Age 35 to 49	Age 50 and over
2005-06	\$14,603	\$40,560	\$100,587
2004-05	\$13,934	\$38,702	\$95,980
2003-04	\$13,233	\$36,754	\$91,149
2002-03	\$12,651	\$35,138	\$87,141
2001-02	\$11,912	\$33,087	\$82,054
2000-01	\$11,388	\$31,631	\$78,445
1999-00	\$10,929	\$30,356	\$75,283
1998-99	\$10,600	\$29,443	\$73,019
1997-98	\$10,232	\$28,420	\$70,482
1996-97	\$9,782	\$27,170	\$67,382
1995-96	\$9,405	\$26,125	\$64,790
1994-95	\$9,000	\$25,000	\$62,000

Note: 'Age' is the person's age at the date the last contribution was made for them for the year. Phone **13 10 20** for deduction limits for previous years.

## Self-employed contribution required to gain age based contribution limits

Persons who are either:

- self-employed or substantially self-employed, or
- do not receive (and are not entitled to) superannuation support from their employer (unsupported persons),

can claim a deduction for personal contributions they make to a complying superannuation fund or retirement savings account (RSA).

A person is considered to be substantially self-employed if their assessable income, exempt income and reportable fringe benefits from eligible employment is less than 10% of the person's total assessable income and reportable fringe benefits for the year of income.

The maximum deduction allowable for personal superannuation contributions made by self-employed, substantially self-employed and unsupported persons is limited to the lesser of:

- the first \$5,000 of contributions plus 75% of the contributions in excess of \$5,000, or
- the taxpayer's age-based deduction limit. The contributions required by self-employed, substantially self-employed and unsupported persons to claim the maximum aged-based deduction limits are:

## Contributions required to gain the age based contributions limit

Income year	Under age 35	Age 35 to 49	Age 50 and over
2005-06	\$17,804	\$52,414	\$132,450
2004-05	\$16,912	\$49,936	\$126,306
2003-04	\$15,977	\$47,338	\$119,865
2002-03	\$15,201	\$45,184	\$114,521
2001-02	\$14,883	\$43,116	\$108,406

<b>2000-01</b>	\$14,184	\$41,175	\$103,593
<b>1999-00</b>	\$13,572	\$39,475	\$99,378
<b>1998-99</b>	\$13,134	\$38,258	\$96,359
<b>1997-98</b>	\$12,643	\$36,894	\$92,976
<b>1996-97</b>	\$12,043	\$35,227	\$88,843
<b>1995-96</b>	\$11,540	\$33,834	\$85,387
<b>1994-95</b>	\$11,000	\$32,334	\$81,667

## Obtaining deductions sooner

In any year, contributions paid after 30 June but before the 28 July superannuation guarantee contribution deadline for the quarter ending 30 June cannot be claimed as a deduction until the end of the next financial year.

For example, superannuation contributions made on 30 June 2005 can be claimed as a deduction in the 2004–05 year. Contributions made on 28 July 2005 can be claimed as a deduction in the 2005–06 year.

## Super Co-contribution

The Super Co-contribution is a helping hand from the Australian Government to assist eligible individuals to save for their retirement. If you are eligible and make personal super contributions, the Government will match your contribution with a Super Co-contribution up to certain limits.

[More about the Super Co-contribution](#)

## Contributions made from 1 July 2004

And your income is:	If your personal super contribution is:			
	\$1,000	\$800	\$500	\$200
<b>Your Super Co-contribution will be:</b>				
<b>\$28,000 or less</b>	\$1,500	\$1,200	\$750	\$300
<b>\$30,000</b>	\$1,400	\$1,200	\$750	\$300
<b>\$32,000</b>	\$1,300	\$1,200	\$750	\$300
<b>\$34,000</b>	\$1,200	\$1,200	\$750	\$300
<b>\$36,000</b>	\$1,100	\$1,100	\$750	\$300
<b>\$38,000</b>	\$1,000	\$1,000	\$750	\$300
<b>\$40,000</b>	\$900	\$900	\$750	\$300
<b>\$42,000</b>	\$800	\$800	\$750	\$300
<b>\$44,000</b>	\$700	\$700	\$700	\$300
<b>\$46,000</b>	\$600	\$600	\$600	\$300
<b>\$48,000</b>	\$500	\$500	\$500	\$300
<b>\$50,000</b>	\$400	\$400	\$400	\$300
<b>\$52,000</b>	\$300	\$300	\$300	\$300
<b>\$54,000</b>	\$200	\$200	\$200	\$200
<b>\$56,000</b>	\$100	\$100	\$100	\$100
<b>\$58,000</b>	\$0	\$0	\$0	\$0

## Contributions made in the 2003-2004 financial year

And your income is:	If your personal super contribution is:			
	\$1,000	\$800	\$500	\$200
<b>Your Super Co-contribution will be:</b>				

\$27,500 or less	\$1,000	\$800	\$500	\$200
\$28,000	\$960	\$800	\$500	\$200
\$29,000	\$880	\$800	\$500	\$200
\$30,000	\$800	\$800	\$500	\$200
\$31,000	\$720	\$720	\$500	\$200
\$32,000	\$640	\$640	\$500	\$200
\$33,000	\$560	\$560	\$500	\$200
\$34,000	\$480	\$480	\$480	\$200
\$35,000	\$400	\$400	\$400	\$200
\$36,000	\$320	\$320	\$320	\$200
\$37,000	\$240	\$240	\$240	\$200
\$38,000	\$160	\$160	\$160	\$160
\$39,000	\$80	\$80	\$80	\$80
\$40,000	\$0	\$0	\$0	\$0

## Allocated pension payments minimum/maximum limits

The rules governing allocated pensions can only allow for payments between the minimum and maximum limits. These are prescribed in [Schedule 1A to the Superannuation Industry \(Supervision\) Regulations 1994 \(SISR\)](#) and set the range of pension or annuity payments for each year. New limits are calculated each year based on the pension account balance at 1 July. To obtain the limits, the pension account balance is divided by each of the maximum and the minimum pension valuation factors in the schedule, matching the recipient's age.

[More about allocated pension payments minimum/maximum limits](#)

Age of Beneficiary	Maximum Pension Valuation Factor	Minimum Pension Valuation Factor
63	8.5	16.6
64	8.3	16.2
65	8.1	15.7
66	7.9	15.3
67	7.6	14.9
68	7.3	14.4

(extract from Schedule 1A to the SISR)

## Superannuation contributions surcharge tax

### Adjusted taxable income rates

The surcharge rate will vary and is calculated using a person's adjusted taxable income (ATI).

Prior to 1 July 2003, the maximum surcharge rate was 15%.

From 1 July 2003, the maximum surcharge rate will be reduced from 15% to 10% over a period of 3 years.

Therefore, the maximum surcharge rate will be:

- 14.5% in 2003-04
- 12.5% in 2004-05
- 10% in 2005-06 and beyond.



Note: If enacted, amendments proposed in the Australian Government Budget Measures 2005-06 will result in no surcharge being payable in respect of superannuation contributions or termination payments made on or after 1 July 2005.

[More about the superannuation contributions surcharge](#)

### For the 2003 financial years and beyond

Year	Lower income amount	Higher income amount	A	Indexation factor
2005-06	\$104,496	\$126,887	2239.1000	1.048
2004-05	\$99,710	\$121,075	1709.20000	1.053
2003-04	\$94,691	\$114,981	1399.31034	1.046

### For financial years before 1 July 2003

Income year	Lower limit	Upper limit	Divisor	Indexation factor
2002-03	\$90,527	\$109,924	\$1,295	1.062
2001-02	\$85,242	\$103,507	\$1,219	1.046
2000-01	\$81,493	\$98,955	\$1,165	1.042
1999-00	\$78,208	\$94,966	\$1,118	1.031
1998-99	\$75,856	\$92,111	\$1,084	1.036
1997-98	\$73,220	\$88,910	\$1,046	1.046
1996-97	\$70,000	\$85,000	\$1,000	—

### 10 Year Treasury bond rate

The 10 Year Treasury bond rate is used by unfunded defined benefits providers to calculate and debit interest to their members' surcharge debt accounts where applicable. It is also used by the Commissioner of Taxation, where applicable to calculate and debit interest to the surcharge debt accounts of members of constitutionally protected funds.

As at	10 Year Treasury bond rate
30 June 2005	5.11%
30 June 2004	5.87%
30 June 2003	5.01%
30 June 2002	5.99%
30 June 2001	6.04%
30 June 2000	6.16%
30 June 1999	6.27%
30 June 1998	5.58%
30 June 1997	7.05%

The rate is determined as follows:

- if any Treasury bonds with a 10 year term issued on 30 June, the rate is the annual yield on those bonds; or
- if no Treasury bonds with a 10 year term are issued on 30 June, the rate is the annual yield as published by the Reserve Bank of Australia for Treasury bonds with a 10 year term for 30 June.

## Eligible termination payments

### Low rate threshold—post-June 83 components of eligible termination payments

If your benefits include Eligible Termination Payments (ETPs), **and you were 55 years of age or over when you received the ETP**, then the cash amount of the post-June 1983 component is taxed at lower rates until you reach your Low Rate Threshold (LRT).

An error in the calculation of the ETP low rate threshold for the financial years 1994/1995 to 1999/2000 has been found, below are the correct figures.

This table contains the low rate threshold limits. The low rate threshold limit is a lifetime limit, that is indexed each financial year.

Income year	Threshold
2005-06	\$129,751
2004-05	\$123,808
2003-04	\$117,576
2002-03	\$112,405
2001-02	\$105,843
2000-01	\$101,188
1999-00	\$97,109
1998-99	\$94,189
1997-98	\$90,916
1996-97	\$86,917
1995-96	\$83,574
1994-95	\$79,975
1993-94	\$77,796
1992-93	\$76,949
1991-92	\$73,776
1990-91	\$68,628
1989-90	\$64,500
1988-89	\$60,000
1987-88	\$55,000

### Tax-free part of bona fide redundancy payments and approved early retirement scheme payments limits

This table shows the limit set for the amount of bona fide redundancy and early retirement payments which are tax free amount and is not an eligible termination payment.

Income year	Base limit	Per complete year of service
2005-06	\$6,491	\$3,246
2004-05	\$6,194	\$3,097
2003-04	\$5,882	\$2,941
2002-03	\$5,623	\$2,812
2001-02	\$5,295	\$2,648
2000-01	\$5,062	\$2,531

<b>1999-00</b>	\$4,858	\$2,429
<b>1998-99</b>	\$4,712	\$2,356
<b>1997-98</b>	\$4,548	\$2,274
<b>1996-97</b>	\$4,348	\$2,174
<b>1995-96</b>	\$4,180	\$2,090
<b>1994-95</b>	\$4,000	\$2,000

## Reasonable benefit limits

This table is used to determine the concessional tax rates limits of reasonable benefit limit (RBL) for a particular financial year. Includes both the pension and lump sum RBL.

<b>Income Year</b>	<b>Lump sum</b>	<b>Pension</b>
<b>2005-06</b>	\$648,946	\$1,297,886
<b>2004-05</b>	\$619,223	\$1,238,440
<b>2003-04</b>	\$588,056	\$1,176,106
<b>2002-03</b>	\$562,195	\$1,124,384
<b>2001-02</b>	\$529,373	\$1,058,742
<b>2000-01</b>	\$506,092	\$1,012,181
<b>1999-00</b>	\$485,692	\$971,382
<b>1998-99</b>	\$471,088	\$942,175
<b>1997-98</b>	\$454,718	\$909,435
<b>1996-97</b>	\$434,720	\$869,440
<b>1995-96</b>	\$418,000	\$836,000
<b>1994-95</b>	\$400,000	\$800,000

## Transitional reasonable benefit limits indexation factors

The information in the table below gives transitional RBL indexation factors and can be used to index a previous financial year's reasonable benefit limits to the current year in line with inflation.

<b>Income year</b>	<b>Indexation factor</b>
<b>2005-06</b>	1.048
<b>2004-05</b>	1.053
<b>2003-04</b>	1.046
<b>2002-03</b>	1.062
<b>2001-02</b>	1.046
<b>2000-01</b>	1.042
<b>1999-00</b>	1.031
<b>1998-99</b>	1.036
<b>1997-98</b>	1.046
<b>1996-97</b>	1.040
<b>1995-96</b>	1.045

## Average weekly ordinary time earnings (AWOTE)

AWOTE is used to index the previous counted amounts for eligible termination payments and pensions for reasonable benefit limit purposes.

The index number for a quarter is the estimate of full-time adult average weekly ordinary time earnings for the middle month of the quarter published by the Australian Statistician in respect of that month. See ABS catalogue number 6302.0 Table 10G Average Weekly Earnings, Industry, Australia - Original Persons, full time adult ordinary time earnings.

Year	March Quarter	June Quarter	September Quarter	December Quarter
2005	992.90			
2004	947.80	949.50	962.90	976.40
2003	900.40	921.00	929.60	938.40
2002	860.50	866.80	879.40	889.60
2001	810.60	824.10	838.50	848.70
2000	774.80	784.20	796.10	800.40
1999	743.80	747.30	753.00	764.20
1998	721.30	725.20	735.40	742.70
1997	696.10	697.60	704.30	710.90
1996	665.80	671.20	674.60	685.50
1995	639.90	647.20	653.10	661.00
1994	612.30	616.90	620.00	629.90
1993	595.50	598.00	600.80	603.50
1992	588.80	587.30	585.70	586.90
1991	564.30	560.20	567.50	580.10
1990	524.80	534.50	541.70	554.40
1989	493.40	501.40	509.70	516.80
1988	458.80	465.60	470.10	484.50
1987	429.60	435.60	446.00	450.00
1986	404.90	408.30	419.80	428.40
1985	378.00	383.10	388.80	397.10
1984	353.60	364.90	369.40	375.20
1983	335.20	336.50	339.80	351.70
1982	293.50	306.00	317.70	331.50
1981	270.70	295.10	304.00	285.20
1980	245.70	256.70	268.10	289.10
1979	222.70	232.80	238.30	248.00
1978	205.20	215.50	218.90	229.10
1977	182.90	198.70	203.90	213.60
1976	165.30	180.70	184.70	195.50
1975	143.80	156.40	157.10	172.40
1974	105.60	119.90	129.00	143.90
1973	90.80	100.80	103.10	112.20
1972	83.40	90.60	90.50	97.30
1971	76.40	83.70	84.30	89.90

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## Interest on overpayment rates

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