Year-End Tax Planning Guide 2025

SUPERANNUATION & SMSF

CONTENTS

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Maximise your Concessional Super Contributions

- [ ] The **concessional contributions cap** for 2024–25 is **$30,000**. These include:
    - [ ] Employer Super Guarantee (SG) contributions
    - [ ] Salary sacrifice
    - [ ] Personal deductible contributions

  Contributions must **hit your super fund's account by 30 June (SMSF) or the cut-off date (industry fund)** to count for this year.

- [ ] If your total super balance was **under $500,000** on 30 June 2024, you may be able to **carry forward unused caps** from the past five years and make a **larger deductible contribution**.

- [ ] Check your **year-to-date concessional contributions** via MyGov or your SMSF.

- [ ] Consider **topping up before the cut-off date (industry fund) or 30 June (SMSF)** if you're under the cap.

- [ ] Talk to your accountant to confirm eligibility for **carry-forward contributions** and any potential **tax deduction**.

Make a Non-Concessional Contribution (NCC)

- [ ] The **non-concessional contributions cap** is **$120,000** for 2024–25.

- [ ] If you were **under 75 at any time in the financial year,** you may be eligible to use the **bring-forward rule** to contribute up to **$360,000** over 3 years (subject to your total super balance).

Make a Non-Concessional Contribution (NCC)

- [ ] NCCs are **not taxed going in,** but must be made **from after-tax income.**

- [ ] Review your **Total Super Balance (TSB)** at 30 June 2024:
  - [ ] TSB under $1.66M = eligible for full $360K bring-forward
  - [ ] TSB between $1.66M–$1.9M = may be eligible for $120K or $240K
  - [ ] TSB over $1.9M = not eligible for NCCs

- [ ] Make the contribution **before 30 June** to count for this year.

- [ ] Ensure you don't breach the cap as **excess contributions may be taxed**.

Take Advantage of the Government Co-Contribution

- [ ] If you're a **low to middle-income earner** and make a **non-concessional contribution** of up to $1,000, the government may match it with up to **$500**.

  To qualify:
  - [ ] Your total income is **under $60,400** for 2024–25 (phased out from $45,400)
  - [ ] You must earn **10% or more from employment or self-employment**
  - [ ] You must be **under 71** and have a **TSB under $1.9M** at 30 June 2024

- [ ] Make your **after-tax contribution before 30 June**. No forms required. The **ATO calculates and pays** the co-contribution into your super automatically.

Use the First Home Super Saver Scheme (FHSSS)

- [ ] You can **withdraw up to $50,000** of voluntary contributions (plus associated earnings) to help **buy your first home**, provided you meet eligibility criteria.

  Only **voluntary contributions** (both concessional and non-concessional) count, SG contributions don't.

  Assessable withdrawals are **taxed at your marginal rate, less a 30% non-refundable offset.**

- [ ] If you're planning to buy your first home, consider making a **voluntary contribution before 30 June**.

  Check your eligibility and contribution history via MyGov.

  Request a **determination from the ATO** via myGov before releasing the fund.

Use Downsizer Contributions (Aged 55+)

- [ ] If you are over 55 years old and have sold your home, you and your spouse can each contribute **$300,000 into super**, no age limit or work test required.

  This contribution doesn't count toward your concessional or non-concessional caps. It counts toward your transfer balance cap. Act before 30 June to get the benefit this year.

  Ensure you have met eligibility conditions and requirements.

Use a Spouse Contribution to Maximise Family Benefits

- [ ] You may receive a **tax offset of up to $540** by contributing up to **$3,000** to your spouse's super if their income is **under $40,000**.

  The full offset applies if their income is **$37,000 or less** and phases out at $40,000.

- [ ] Check your spouse's **assessable income** for the year and the eligibility. If eligible, contribute to their super **before 30 June** and claim the offset in your tax return.

Split Contributions with your Spouse

- [ ] You may be able to **split up to 85% of your concessional contributions** from the previous financial year into your spouse's super account, if conditions are met.

  This helps **equalise super balances** or allocate more to the spouse who is closer to retirement age, allowing earlier access to superannuation benefits.

  Your spouse must be **under preservation age** or under **65 and not retired**.

- [ ] Check your fund's **deadlines and required forms**. You are splitting 2023–24 contributions, but many funds require the form well **before 30 June 2025**. Confirm your fund's cut-off date to ensure timely processing.

Confirm Contributions are Received on Time

- [ ] **Don't leave it to the last minute.** Contributions must be received by your SMSF's bank account by 30 June or by cut-off date (specified by your industry fund) to count this year.

- [ ] If using a clearing house to process contributions, allow sufficient time to ensure funds reach your SMSF or industry fund's account by 30 June.

- [ ] For SMSFs, confirm that contributions have been **received and allocated** by your fund before 30 June to ensure deductibility and compliance.

Use a Contributions Reserve (SMSF Only)

- [ ] You can make the **concessional contribution** in June and allocate it to a reserve to be counted in July (in the next financial year). This can effectively let you **bring forward a deduction** while **spreading the cap usage** across two years.

Meet your Pension Minimum Withdrawal Requirements

- [ ] If you're receiving a **superannuation income stream**, you must **withdraw the minimum pension amount by 30 June** or risk **losing the fund's tax exemption** on investment earnings (potentially leading to up to 15% tax on those earnings). The minimum withdrawal % depends on your age.

  Minimum Drawdown (%) by age:

  4% (under 65) | **5%** (65–74) | **6%** (75–79) | **7%** (80–84)

  9% (85-89) | **11%** (90-94) | **14%** (95 or more)

Meet your Pension Minimum Withdrawal Requirements

- [ ] Check how much you have withdrawn from your pension account so far this year.
- [ ] Make any additional **withdrawals** before 30 June to meet the requirement.
- [ ] **SMSF trustees** must also ensure correct documentation and timing of payments.
- [ ] **TRIS account** withdrawals must **not exceed 10%** of the account balance for the year.

Consider Starting a Pension or TRIS

- [ ] If you have met a **condition of release** (e.g. retirement, turning 65), you could start a **superannuation income stream** (knows as account-based pension), turning part or all your accumulation balance into a **retirement-phase account**.

  This move allows your fund to benefit from **0% tax on investment earnings** for that portion.

- [ ] If you are **still working** and between your **preservation age (55–60)** and 65, you may be eligible to start a **Transition to Retirement Income Stream (TRIS)**:

  - [ ] Draw between **4% and 10%** of your TRIS balance annually.
  - [ ] TRIS income is **tax-free if you're 60 or over**, and taxed at your marginal rate (with a 15% tax offset) if under 60.
  - [ ] Once you **retire or turn 65**, your TRIS automatically converts to a **retirement-phase pension**, and the associated earnings become **tax-free**.

Consider Starting a Pension or TRIS

- [ ] Speak to your adviser to assess whether starting a pension before 30 June could help reduce tax on your super fund's investment earnings.

- [ ] If you start a pension this year, you will need to **meet minimum withdrawal requirements** before 30 June to maintain the tax-exempt status.

- [ ] Ensure your **Transfer Balance Cap** allows you to commence a pension, limits apply (currently $1.9 million).

Prepare for 2025–26 Changes

- [ ] From 1 July 2025, key superannuation contribution caps:

    - [ ] **Concessional contributions cap** will remain **$30,000**
    - [ ] **Non-concessional contributions cap** will remain **$120,000**

    The **3-year bring-forward limit** for non-concessional contributions will remain unchanged at **$360,000**.

- [ ] The **Transfer Balance Cap (TBC) will increase from $1.9 million to $2 million** on 1 July 2025 due to CPI indexation.

- [ ] **Plan ahead** if you're considering large non-concessional contributions, especially if you are approaching age or balance threshold.

- [ ] Discuss with your adviser whether to:

    - [ ] **Maximise current year contributions** if you are under the cap and eligible
    - [ ] Use the **bring-forward rule** strategically in 2025–26

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Prepare for 2025–26 Changes

- [ ] **Monitor your total super balance (TSB):** eligibility to certain contributions (e.g. non-concessional) is subject to your TSB being under the general TBC of $1.9 million (increasing to $2 million from 1 July 2025).

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