

Cavendish outlines likely consequences of Budget's super changes

30 April, 2012 [Mike Taylor](#) [2 comments](#)

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Specialist [self-managed superannuation funds](#) company Cavendish Superannuation has sought to explain the consequences of the Government's expected Budget move to increase the [superannuation](#) contributions tax on wealthier Australians.

[Cavendish Superannuation](#) head of education [David Busoli](#) said the expected [Federal Budget](#) announcements would include a doubling of the contributions tax on concessional contributions to 30 per cent for individuals who earn at least \$300,000 in income from 1 July 2012.

He said the definition of income would be broad and include taxable income, concessional superannuation contributions (both superannuation guarantee charge contributions and salary sacrifice contributions), adjusted fringe benefits, total net investment losses, some foreign income, tax-free pensions and benefits less child support.

Busoli said where the \$300,000 limit has been breached because of the level of concessional contributions, the 30 per cent contribution tax rate would only be applied to the amount of the contribution which caused the breach.

He said that, on such a basis, an individual with \$280,000 in taxable income who had made a \$25,000 concessional contribution would pay the 30 per cent contribution tax on \$5,000.