

# Our Gems

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# WHAT IS SUPERANNUATION?

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Nearly every Australian adult has some superannuation, but what is it, really?

Superannuation is the Australian version of compulsory savings, where the employer contributes earnings into a dedicated investment account. The Super Guarantee (SG) requires employers to contribute at least 11.5% (12% on 1 July 2025) of your ordinary-time earnings. You can also contribute on top of this to take advantage of tax concessions.

Salary sacrificing is where you choose to have some additional pre-tax money go towards your super automatically. This effectively reduces your taxable income, meaning you may pay less tax on your income. These concessional contributions are taxed in the super fund which is generally less than your marginal tax rate.

Salary sacrifice super contributions are classified as employer super contributions, rather than your personal contributions. They are additional to your super guarantee entitlements.

If you are still working, this is the accumulation phase of your superannuation. If you've retired, congratulations! You are in the pension phase.



	<b>Working life (accumulation phase)</b>	<b>Retired life (pension phase)</b>
<b>What we do for you</b>	<ol style="list-style-type: none"> <li>1. We look at how much extra you can contribute towards super from your salary to maximize your tax savings</li> <li>2. Research super funds to make sure you are paying as little in fees as possible, while preserving and growing your money</li> <li>3. Check if it's worthwhile to put your insurance inside super.</li> <li>4. Chase up super funds to make sure that you are taken care of.</li> <li>5. If your super is scattered across multiple funds, we consolidate it to reduce your costs.</li> <li>6. Make sure your super allocation matches your current and future financial goals.</li> <li>7. Check for, and claim, your eligibility for government contributions or offsets.</li> </ol>	<ol style="list-style-type: none"> <li>1. Evaluate if a Transition to Retirement pension might be a good choice for you.</li> <li>2. Shift your asset allocation to conserve capital, rather than prioritizing growth.</li> <li>3. Make sure that you comply with draw-down regulations.</li> <li>4. Create a sustainable draw-down strategy for you</li> <li>5. Look at estate-planning.</li> <li>6. Make sure your beneficiary nominations are in place so that your money goes to the right person</li> <li>7. Minimize your super fees</li> <li>8. Maximize your tax-free income by structuring your super the right way.</li> <li>9. Constant progress checks at least once a year</li> <li>10. Help withdraw your money in a sustainable and tax-efficient way.</li> <li>11. Research and implement government concessions.</li> </ol>
<b>What you can do</b>	<ol style="list-style-type: none"> <li>1. Consider putting your tax refund if you get one straight to your super.</li> <li>2. Increase super contributions with pay rises.</li> <li>3. Encourage your partner to also focus on maximizing their superannuation.</li> </ol>	<ol style="list-style-type: none"> <li>1. Regularly review your spending needs, and adjust withdrawals as needed</li> <li>2. Encourage your partner, friends, and family to also carefully plan out their retirement, ideally with a reliable financial adviser.</li> </ol>

# FEDERAL BUDGET 2025

## WHAT WILL THIS MEAN FOR THE AUSTRALIAN TAXPAYER?



The 2025 Australian Budget has introduced a two-year tax reduction strategy, with an estimated cost of \$17.1 billion.

From 1 July 2026, the tax rate on income between \$18,201 and \$45,000 will decrease from 16% to 15%, and then to 14% from 1 July 2027. This change will result in an additional tax cut of \$268 for taxpayers earning above \$45,000 in the first year, followed by a \$536 tax cut in the second year.

The revised tax rates will be:

- no tax on income up to \$18,200
- 15% on income between \$18,201 and \$45,000
- 30% on income between \$45,001 and \$135,000
- 37% on income between \$135,001 and \$190,000
- 45% on income above \$190,000.

Find out how these tax cuts will affect you here - <https://amp.abc.net.au/article/105095776>