



Fact Sheet – Super New Rules

Tax free pay outs from super from age 60

From 1 July 2007, you will pay absolutely no tax on any super payout from a taxed fund (the sort most Australians have) as long as you receive it after you turn 60.

Whether you receive it as a lump sum or as regular income, you will pay no tax on your payout, as long as you don't take it before you are 60. You will not be required to declare it on your tax return.

What should you do?

If you are 60 years of age and receiving employment income you should consider whether it is beneficial to commence a pension and salary sacrifice your employment income into superannuation (Transition to Retirement Strategy).

Better pension deal for people with savings

Under the current rules, many people miss out on a government pension because of the value of their savings and other assets (i.e. under the Centrelink Assets Test).

From 20th September 2007, the changes mean that hundreds of thousands of people will receive more money. Either because they may be entitled to a larger government pension or because they may be eligible for a government pension for the first time.

The 50% assets test exemption for 'complying' income streams will be removed for income streams purchased on or after 20 September 2007. Eligible persons could commence a complying income stream before 20th September 2007 and reduce their assets by 50%.

What should you do?

Consider whether you should commence a complying income stream. This involves locking away your assets for a fixed period and only being able to take a set amount each year based on a specific formula.

Better deal for self employed

Until now, self employed people could only claim a deduction for part of their super contributions.

From 1 July 2007, most self employed people will be able to claim a tax deduction for all their super contributions made from 2007-08.

And for the first time the Australian Government's Super Co-contribution will also be available to self employed people.

What should you do?

1. If you are self employed consider making contributions to superannuation and gaining a tax deduction.
2. If you are self employed and earning between \$28,980 and \$58,980 during the 2007/08 financial year consider making a personal contribution (after tax) to superannuation to access the Government Co-contribution.

Contributions to Super

Pre tax contributions of \$50,000 per person per annum (indexed each year) or \$100,000 per person per annum (indexed each year) until 2011-2012 if you are over 50 years of age.

Post tax contributions of \$150,000 per person per annum or \$450,000 over 3 years.

What should you do?

Consider contributing to superannuation earlier as the limits have reduced for those nearing retirement age.

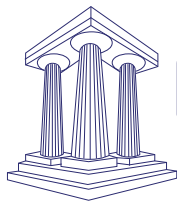
Sale of a small business

There are a range of changes to the Small Business CGT concessions that make them easier to access. Benefits include:

1. 50% Capital Gains Tax concession
2. \$500,000 retirement rollover relief
3. \$1,000,000 superannuation contribution limit concession

What should you do?

If you are selling a business consider the application of the Small Business CGT concessions.



Cornerstone Wealth

Financial Advice Based on Solid Foundations

Cornerstone Wealth

Level 9, 501 La Trobe Street
Melbourne Victoria 3000

Telephone 03 9642 2268

Facsimile 03 9670 4704

E-mail info@cornerstonewealth.com.au

Website www.cornerstonewealth.com.au



Corporate Authorised Representative

No 306473

Partnership Financial Services Pty Ltd

AFS Licence No 220381

ABN 90 009 015 874

Level 28 Central Park

152-158 St Georges Terrace

Perth WA 6000