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PJA Accountants

Client Information Newsletter - Tax & Super

October 2020



2020-21 Lodgment Rates and Thresholds

To save you having to laboriously search for the right tax rate or relevant threshold, the essential information is right here in one place.

About this newsletter

Welcome to PJA Accountants' client information newsletter, your monthly tax and super update keeping you on top of the issues, news and changes you need to know. Should you require further information on any of the topics covered, please contact our office.

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This guide includes tax rates, including individual minor and non-resident rates, corporate rates, offset limits and benchmarks, rebate levels, allowances, and essential super as well as FBT rates and thresholds (including current gross-up factors) and student loan repayment rates. There is also essential Medicare information and foreign currency exchange information.

Individual tax rates

Individual tax rates for residents		
2019-20 Tax thresholds		
Taxable income	Rate (%)	Tax on this income
\$0 to \$18,200	0	Nil tax payable
\$18,201 to \$37,000	19	19c for each \$1 over \$18,200
\$37,001 to \$90,000	32.5	\$3,572 plus 32.5c for each \$1 over \$37,000
\$90,001 to \$180,000	37	\$20,797 plus 37c for each \$1 over \$90,000
\$180,001 and above	45	\$54,097 plus 45c for each \$1 over \$180,000
2020-21 Tax thresholds		
Taxable income	Rate (%)	Tax on this income
\$0 to \$18,200	0	Nil tax payable
\$18,201 to \$37,000	19	19c for each \$1 over \$18,200
\$37,001 to \$90,000	32.5	\$3,572 plus 32.5c for each \$1 over \$37,000
\$90,001 to \$180,000	37	\$20,797 plus 37c for each \$1 over \$90,000
\$180,001 and above	45	\$54,097 plus 45c for each \$1 over \$180,000

2020-21 Resident minors' tax rate on eligible taxable income	
Taxable income	Tax on this income
Up to \$416	Nil
\$417 to \$1,307	66% for the part over \$416
\$1,308 and above	45% on the entire amount

Individual tax rates for non-residents		
2019-20 Tax thresholds		
Taxable income	Rate (%)	Tax on this income
\$0 to \$90,000	32.5	32.5c for each \$1
\$90,001 to \$180,000	37	\$29,250 plus 37c for each \$1 over \$90,000
\$180,001 and above	45	\$62,550 plus 45c for each \$1 over \$180,000
2020-21 Tax thresholds		
Taxable income	Rate (%)	Tax on this income
\$0 to \$90,000	32.5	32.5c for each \$1
\$90,001 to \$180,000	37	\$29,250 plus 37c for each \$1 over \$90,000
\$180,001 and above	45	\$62,550 plus 45c for each \$1 over \$180,000

2020-21 Non-resident minors' tax rate on eligible taxable income	
Taxable income	Tax on this income
Up to \$416	32.5% on the entire amount
\$417 to \$663	\$135.20 + 66% for the part over \$416
\$664 and above	45% on the entire amount

Tax Offsets

Tax offsets for individuals	
2020-21 Low Income Tax Offset	
Taxable income	Tax offset
Up to \$37,000	\$445
\$37,001 to \$66,667	\$445 – (1.5% of excess over \$37,000)
\$66,668 and above	Nil

2020-21 Low and Middle Income Tax Offset	
Taxable income	Tax offset
Up to \$37,000	\$255
\$37,001 to \$48,000	\$255 plus 7.5c for each \$1 over \$37,000
\$48,001 to \$90,000	\$1,080
\$90,001 to \$126,000	\$1,080 less 3c for each \$1 over \$90,000
\$126,001 and above	Nil

2020-21 Senior Australian and Pensioners Tax Offset (SAPTO)			
Family status	Maximum tax offset	Shade-out income threshold	Cut-out income threshold
Single	\$2,230	\$32,279	\$50,119
Married or de facto (each)	\$1,602	\$28,974	\$41,790
Separated due to illness (each)	\$2,040	\$31,279	\$47,599

Note: Offset entitlements reduce by 12.5c for each \$1 of rebate income in excess of the shade-out threshold. No entitlement when rebate income reaches the cut-out threshold.

Corporate tax rates

2020-21 Corporate entity tax rates	Rate
Private and public companies (base rate entities)	26%
Private and public companies (other)	30%
Public trading trusts (base rate entities)	26%
Public trading trusts (other)	30%
Life Insurance companies	
Ordinary class	30%
Complying superannuation class	15%
Non-profit companies (base rate entities)	
First \$416 of taxable income	Nil
Taxable income \$417 to \$788	55% of excess over \$416
Taxable income \$789 and above	26%
Non-profit companies (other)	
First \$416 taxable income	Nil
Taxable income \$417 to \$915	55% of excess over \$416
Taxable income \$916 and above	30%

FBT rates and thresholds

FBT rates and thresholds			
FBT and gross-up rates			
FBT year	Rate	Type 1	Type 2
2019-20	47%	2.0802	1.8868
2020-21	47%	2.0802	1.8868

Car fringe benefits			
Statutory formula method			
The statutory fraction is 20%			
Taxable value of a fringe benefit of a motor vehicle other than a car (c/km basis)			
FBT year ending	0 to 2500cc	Over 2500cc	Motor-cycles
31 March 2020	55c	66c	16c
31 March 2021	56c	67c	17c
Record keeping exemption			
2020-21	\$8,853	2019-20	\$8,714
FBT - Benchmark interest rate			
2020-21	4.80%	2019-20	5.37%
Car parking threshold			
2020-21	\$9.15	2019-20	\$8.95

Division 7A - Benchmark interest rate			
2020-21	4.52%	2019-20	5.37%

Improvement threshold			
2020-21	\$155,849	2019-20	\$153,093

Cents per km car rates			
2020-21	72c per km	2019-20	68c per km

Motor vehicles	2020-21	2019-20
Luxury car tax limit	\$68,740	\$67,525
Fuel efficient luxury car tax limit	\$77,565	\$75,526
Car depreciation limit	\$59,136	\$57,581
Maximum input tax credit claim for cars	\$5,376	\$5,234

Medicare

Medicare

2020-21 Medicare levy

Levy is 2% of an individual's taxable income.

2019-20¹ Medicare levy for families with dependants

Number of dependants ²	Family taxable income \$		
	Nil levy payable	Reduced levy shade-in range (10% of excess over nil band)	Normal 2% payable
0	To \$38,474	\$38,475 to \$48,092	\$48,093 and above
1	To \$42,007	\$42,008 to \$52,508	\$52,509 and above
2	To \$45,540	\$45,541 to \$56,924	\$56,925 and above
3	To \$49,073	\$49,074 to \$61,340	\$61,341 and above
4	To \$52,606	\$52,607 to \$65,757	\$65,758 and above
5	To \$56,139	\$56,140 to \$70,173	\$70,174 and above
6	To \$59,672	\$59,673 to \$74,589	\$74,590 and above

1: And later years unless amended.

2: For more than 6 dependant children and/or students add \$3,533 per child/student.

2019-20¹ Medicare levy surcharge

Income*: Single	Income*: Family**	Rate
\$0-\$90,000	\$0-\$180,000	0%
\$90,001-\$105,000	\$180,001-\$210,000	1%
\$105,001-\$140,000	\$210,001-\$280,000	1.25%
\$140,001 & above	\$280,001 & above	1.5%

* Includes taxable income, reportable fringe benefits, reportable super contributions, net investment losses, exempt foreign income and any net amount subject to family trust distribution tax.

**Threshold increases by \$1,500 for each additional dependent child after the first.

Medicare

2019-20¹ Medicare levy reduction threshold

Taxable income	Medicare levy payable
\$0 to \$22,801	Nil
\$22,802 to \$28,501	10% of excess over \$22,801
\$28,502 & above	2% of taxable income

2019-20¹ Medicare levy threshold: Individuals who qualify for the SAPTO²

Taxable income	Medicare levy payable
\$0-\$36,056	Nil
\$36,057-\$45,069	10% of excess over \$36,056
\$45,070 & above	2% of taxable income

1: The taxable income ranges and rates for 2020-21 are expected to be released in June 2021.

2: The pensioner tax offset and the senior Australians tax offset were merged from 1 July 2012.

Superannuation

2020-21 Superannuation rates & thresholds	
SLS ¹ low rate cap amount (indexed)	\$215,000
SLS ¹ untaxed plan cap amount (indexed)	\$1,565,000
Life benefit ETP ² cap (indexed)	\$215,000
Death benefit ETP ² cap (indexed)	\$215,000
Tax-free part of a genuine redundancy payment or early retirement scheme payment (indexed)	\$10,989
For each completed year of service add	\$5,496
Government co-contribution (max \$500)	
Lower income threshold	\$39,837
Higher income threshold	\$54,837
Transfer balance cap	\$1.6m
Contribution caps	
Concessional (indexed)	\$25,000
Concessional (temporary, non-indexed)	\$25,000
Non-concessional	\$100,000
CGT cap (indexed)	\$1,565,000
Non-concessional with bring forward option (non-indexed)	Up to \$300,000
Division 293 threshold for high income earners	\$250,000
Carry forward concessional contributions – total superannuation balance at end of previous financial year	Less than \$500,000
Work test exemption – total superannuation balance at end of previous financial year	Less than \$300,000
1: Superannuation Lump Sum (SLS)	
2: Employment Termination Payment (ETP)	

2020-21 Super rates and thresholds cont	
Superannuation Guarantee (SG)	
Prescribed minimum employer contribution rate	9.50%
Maximum contribution base (per SG quarter)	\$57,090
Minimum account based pension withdrawal	
Under 65 years	2%
65 to less than 75 years	2.5%
75 to less than 80 years	3%
80 to less than 85 years	3.5%
85 to less than 90 years	4.5%
90 to less than 95 years	5.5%
95 years and over	7%
Transition to retirement maximum withdrawal	10%

2020-21 Preservation age table	
Date of birth	
Before 1 July 1960	55
1 July 1960 to 30 June 1961	56
1 July 1961 to 30 June 1962	57
1 July 1962 to 30 June 1963	58
1 July 1963 to 30 June 1964	59
1 July 1964 or later	60

This information has been prepared without taking into account your objectives, financial situation or needs. Because of this, you should, before acting on this information, consider its appropriateness, having regard to your objectives, financial situation or needs.

Foreign currency exchange rates

Foreign currency exchange rates for the financial year ended 30 June 2020

Country	Average rate for the year	Nearest actual rate at year end	Currency
Foreign currency equivalent to \$1 Australian			
China	NA	4.8523	Yuan
Europe	0.6217	0.6111	Euro
Japan	74.3606	73.9400	Yen
New Zealand	1.0736	1.0703	NZ dollar
Singapore	0.9512	0.9576	Singapore dollar
UK	0.5462	0.5586	Pound sterling
USA	0.6878	0.6863	US dollar

Note: For a complete list of countries, see the 2020-21 Tax Summary at 22.340.

Study and training loan repayment thresholds

2020-21 Study and training loan repayment thresholds and rates: HELP, VSL, SFSS, SSL, ABSTUDY SSL AND TSL

HELP repayment income	Rate
Below \$46,620	Nil
\$46,620 to \$53,826	1.0%
\$53,827 to \$57,055	2.0%
\$57,056 to \$60,479	2.5%
\$60,480 to \$64,108	3.0%
\$64,109 to \$67,954	3.5%
\$67,955 to \$72,031	4.0%
\$72,032 to \$76,354	4.5%
\$76,355 to \$80,935	5.0%
\$80,936 to \$85,792	5.5%
\$85,793 to \$90,939	6.0%
\$90,940 to \$96,396	6.5%
\$96,397 to \$102,179	7.0%
\$102,180 to \$108,309	7.5%
\$108,310 to \$114,707	8.0%
\$114,708 to \$121,698	8.5%
\$121,699 to \$128,999	9.0%
\$129,000 to \$136,739	9.5%
\$136,740 and above	10.0%

Note: All information is current as at 28 August 2020.

Disclaimer: This tool is a guide only. Independent legal, financial and/or tax advice is recommended.