ORACLE

Super News

ORACLE SUPERANNUATION PLAN **June 2017**

Welcome to the latest issue of *Super News*, the newsletter for members of the Oracle Superannuation Plan ("the Plan").

This edition of *Super News* updates you on some proposals announced in the 2017 Federal Budget.

Proposals from the 2017 Budget

Two new proposals outlined this year are aimed at improving housing affordability:

- **A First Home Super Saver Scheme** – Letting first home buyers use the super system as a way to save extra money for a deposit on a first home.
- **Encouraging downsizing** – Encouraging over 65's to downsize their home and put some of the proceeds into super. This is intended to free up larger homes for younger families.

It is important to remember that these are currently proposals and that they must be passed by Parliament before they become law. Additional conditions may apply to the schemes.

First Home Super Saver Scheme

Under the proposal, you can make voluntary contributions to your super fund from 1 July 2017 and access those savings from 1 July 2018 onwards, to use towards a first home deposit.

Members wanting to take advantage of this Scheme should check that it is legislated before making contributions, to avoid losing access to savings.

How much can be saved?

If you are:	You can save up to:	Total amount that can be released:
Single	$15,000 per year	Voluntary contributions of up to $30,000 and earnings*
A couple	$30,000 per year	Voluntary contributions of up to $60,000 and earnings*

* Amounts invested are deemed to receive earnings equal to the 90-day Bank Bill rate plus 3% p.a.

How do these contributions work?

Before-tax contributions

If you contribute from **before-tax salary**, 15% tax is deducted from your contribution when it is paid into the super fund. Withdrawals under this Scheme are taxed at marginal rates less a 30% tax offset.

Amounts you contribute count toward your concessional contribution cap of $25,000 per year. See our ecard *Can you benefit from the existing super contribution rules?* for more about concessional contributions.

After-tax contributions

There is no tax on **after-tax contributions** when you pay them into the super fund or when they are withdrawn.

Amounts you contribute count towards your non-concessional contribution cap, which from 1 July 2017, is $100,000 per year (with the ability to bring forward up to two future years of limits). Transitional rules apply for people who have triggered the bring-forward in the 2015/16 or 2016/17 financial years.

To see how you might benefit from the First Home Super Saver Scheme, use the Government's online estimator at www.budget.gov.au/estimator.

Over 65s who downsize

From 1 July 2018, up to $300,000 per person can be added to super from the sale of the principal family home, if it has been owned for more than 10 years. The current age and work tests that apply to contributions after age 65 will be waived for these contributions. The Government's intention is to increase the supply of larger homes for younger people.

Any questions?

If you have any questions about the information in this newsletter, or about the Plan in general, please contact the Plan Administrator on 1800 127 953 or visit the Plan's website at https://super.towerswatson.com/super/oracle.

Issued by Towers Watson Superannuation Pty Ltd (ABN 56 098 527 256, AFSL 236049), as Trustee for the Oracle Superannuation Plan (ABN 17 608 890 083). June 2017.