



Taxation

The information in this document forms part of the Product Disclosure Statements for AMIST Super dated 1 Oct 2020.

Tax on payments you receive from your super.

If you receive a lump sum payment from your super before you turn 60, the payment could be taxed. But after you turn 60, lump sum payments from your super can be tax-free once you have met the conditions of release.

Please note: these tax rates do not apply to temporary residents or “working holiday makers” - please refer to the section titled “Taxation on payments to non-residents” for details.

Exempt component	Taxable component
<p>Comprises of:</p> <p>Any exempt amount paid into a superannuation fund after 30 June 2007 (i.e. Personal contributions, co-contributions).</p> <p>Any of the following amounts that were held by a superannuation fund at 30 June 2007:</p> <ul style="list-style-type: none"> • Capital Gains Tax Exempt Component, • Post 30 June 1994 Invalidation Component, • Concessional Component, • Undeducted Contributions, • Pre 1 July 1983 Taxed Component* 	<p>Comprises of:</p> <ul style="list-style-type: none"> • The amounts of any non-qualifying component held by a superannuation fund at 30 June 2007, • Any taxable amount received by a superannuation fund after 30 June 1983.
<p>Rate of Taxation:</p> <p>Nil</p>	<p>Rate of Taxation:</p> <p>Benefit received where they have met a condition of release after 60th Birthday:</p> <p>Nil</p> <p>Benefit received after early retirement age (see Page 2) (and prior to 60th birthday):</p> <p>No tax payable up to \$210,000**</p> <p>Amounts over \$210,000** taxed at a rate of 15% (plus Medicare Levy).</p> <p>Benefit received prior to early retirement age</p> <p>Taxation payable on entire Taxable Component at a rate of 20% (plus Medicare Levy)</p>

The Medicare Levy for the 2020/2021 Financial Year is 2.0%. Any updates to the Medicare Levy can be found on the ATO website (www.ato.gov.au).

* From 1 July 2007 the value of the component previously known as the “Pre-1 July 1983” component was fixed based on the period 1 July 1983 to 30 June 2007. From 1 July 2007 that amount became part of the Exempt Component.

** The “Tax Free” portion of the Taxable Component for members aged between early retirement age and age 60 years is indexed to Average Weekly Ordinary Time Earnings (AWOTE). The amount shown is valid for the 2019/20 financial year. The current tax free amount can be obtained by contacting the Australian Taxation Office on telephone 13 10 20 or by visiting their website, www.ato.gov.au

Taxation - continued

Tax on contributions to super

AMIST Super is required by the Federal Government to take tax from some contributions received. Whether a contribution is taxed and the rate of tax depends on who makes the contribution and the amount of the contribution.

Before-tax super contributions (Concessional)

The super contributions you make before tax (concessional) are taxed at 15%.

Types of before-tax contributions include:

- employer contributions, such as compulsory employer (Superannuation Guarantee) contributions and salary sacrifice payments made to your super fund
- contributions for which you claim an income tax deduction

After-tax super contributions (Non-concessional)

The super contributions you make after tax (non-concessional) are not subject to tax.

Types of after-tax contributions include:

- contributions you or your employer make from your after-tax income
- contributions your spouse makes to your super fund
- personal contributions that are not claimed as an income tax deduction. If you make a personal contribution and claim a tax deduction against those contributions, they will be taxable as concessional contributions and count towards your concessional contributions cap

Excess contributions tax

There are limits on the amount of before-tax and after-tax contributions you can make each year, and these may vary depending on the financial year and your age.

If you contribute too much to your super, you may have to pay extra tax.

If you exceed the before-tax (concessional) super contributions cap, the excess is included in your income tax return and taxed at your marginal tax rate. You can choose to withdraw some of the excess contributions to pay the additional tax.

If you exceed the after-tax (non-concessional) super contributions cap, you can choose to withdraw the excess contributions and any earnings. The earnings are then included in your income tax assessment and taxed at your marginal rate.

If you don't withdraw the earnings, the excess is taxed at 47%.

Division 293 tax for high-income earners

Division 293 tax is an additional tax on super contributions if your combined income and super contributions are more than the threshold.

Division 293 tax is 15% of your taxable concessional contributions above the \$250,000 threshold.

Government Co-contribution:

- There is no tax payable on any amount you receive as part of the Government Co-contribution scheme.

Rollover/transfer from another superannuation fund

In most cases, there is no tax payable if you transfer or rollover an amount from another superannuation fund into AMIST Super. The exception is if the transfer is coming from an untaxed superannuation fund. Some Government superannuation funds, for example, are untaxed funds. This is where members are taxed at higher rates at the time of receiving a benefit payment. If you transfer from an untaxed fund into AMIST Super any taxable amount transferred will have 15% contributions tax deducted from it.

Deductible expenses

Deductible expenses such as administration related fees or insurance premiums are allowed as a tax deduction to the fund. AMIST Super claims these amounts as deductions when lodging the fund's tax return. This tax benefit is paid into the administration reserve of the Fund and is used for the benefit of the membership as a whole by assisting in meeting the operational costs of the Fund.

Early Retirement Age

Early Retirement Age is the minimum age at which you may access preserved superannuation amounts as a retirement benefit and retirement based concessional rates of taxation apply.

If you were born...	The "Early Retirement Age is"
Prior to 1 July 1960	55 years
Between 1 July 1960 and 30 June 1961	56 years
Between 1 July 1961 and 30 June 1962	57 years
Between 1 July 1962 and 30 June 1963	58 years
Between 1 July 1963 and 30 June 1964	59 years
After to 1 July 1964	60 years

Taxation - continued

Providing your Tax File Number (TFN)

Under the Superannuation Industry (Supervision) Act 1993, we are authorised to collect your TFN, which will only be used for lawful purposes.

These purposes may change in the future as a result of legislative change. The Trustee of your superannuation fund may disclose your TFN to another superannuation provider, when your benefits are being transferred, unless you tell us not to in writing.

It is not an offence not to tell us your TFN. However, giving us your TFN will have the following advantages (which may not otherwise apply):

- AMIST Super will be able to accept all types of contributions to your account/s;
- the tax on contributions to your superannuation account/s will not increase;

- other than the tax that may ordinarily apply, no additional tax will be deducted when you start drawing down your superannuation benefits; and
- it will make it much easier to trace different superannuation accounts in your name so that you receive all your superannuation benefits when you retire.
- AMIST Super can use your TFN to check with the Australian Taxation Office (ATO), or any other superannuation fund that holds lost members' super, with the aim of recovering any lost super you may have.

Tax of death benefits

When a death benefit is paid to a dependant (as defined by the Income Tax Assessment Act 1937), no tax is taken out of the benefit by AMIST Super. Likewise, no tax is taken out where a benefit is paid to a member's estate or placed in trust for an under-age child.

However, a person defined as a "dependant" under superannuation regulations may not be treated as a dependant under the tax system. For example, an

adult child may be considered a dependant under superannuation law, but not under the Tax Act. A benefit paid to an estate may be subject to tax when dealt with by the estate.

Any tax payable for a non-dependant will be taken out at the rates shown below.

Age of deceased	Death benefit type	Age of recipient	Taxation	
Any age	Lump sum	Any age	Tax Exempt component is tax free	
			Taxable component	- Taxed element is taxed at 15%
				- Untaxed element is taxed at 30%

- The Tax Exempt component is mostly made up of non-concessional contributions such as personal after-tax contributions, spouse contributions and Government Co-contributions. It also includes any pre-July 1983, invalidity and CGT exempt components that were crystallised at 30 June 2007 when the Simpler Super changes came into place.
- The untaxed element is the part of the super that comes from an untaxed source ie. where no contributions tax has been paid. An example of an untaxed source is a public sector super fund or insurance proceeds.

Taxation - continued

Taxation on payments to non-residents)

Where a Departing Australia Superannuation Payment (DASP) is being paid then special rates of taxation apply to the benefit payment. A DASP payment is where the person applying for the payment was a temporary resident (working visa) or Working Holiday Maker (e.g. backpacker).

From 1 July 2017 different rates of taxation will apply depending on the reason that you were temporarily working in Australia.

Working Holiday Makers

A Working Holiday Maker (WHM) is a person who was in Australia on a subclass 417 (working holiday) visa, subclass 462 (work and holiday) visa, subclass 482 (Temporary Skill Shortage) visa, or related bridging visa.

In this case the entire benefit paid will be subject to taxation at a rate of 65% from 1 July 2017.

Other Temporary Residents

For Temporary Residents who did not hold one of the visa types mentioned above, the entire superannuation benefit will be subject to taxation at a rate of 38%.

Multiple visa holders

If you held a WHM visa and another type of visa, the tax rate that applies depends on your visa status at the time the contributions were made. The application process (either online or using a paper form) will allow you to advise the type of visa you held at a particular time and the rate of taxation applicable to the type of visa you held will be applied proportionately to the benefit.

If you require a printed copy of this Fact Sheet please contact the AMIST Super Hotline on 1800 808 614.

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The information in this Fact Sheet is incorporated by reference into the AMIST Super Product Disclosure Statement.

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