



# Mentor Quick Reference Guide

2018/19

  
RTO 21683

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# Taxation

## Tax Rates

### Resident personal tax rates (2018/2019)

Taxable Income	Marginal Rate*	Tax Payable
\$0 – \$18,200	Nil	Nil
\$18,201 – \$37,000	19.0%	19c for each \$1 over \$18,200
\$37,001 – \$90,000	32.5%	\$3,572 plus 32.5c for each \$1 over \$ 37,000
\$90,001 – \$180,000	37.0%	\$20,797 plus 37.0c for each \$1 over \$ 87,000
\$180,001 & over	47.0%	\$54,097 plus 45.0c for each \$1 over \$180,000

\*The above rates exclude Medicare levy of 2.0% on taxable income for residents.

### Medicare levy (2017/2018)

	No levy	Reduced levy*	Full 2.0%
<b>All other taxpayers other than those eligible for SAPTO (2017/2018)</b>			
Single	\$0 – \$21,980	\$21,981 – \$27,475	\$27,476 & over
Couple	\$0 – \$37,089	\$37,090 – \$46,361	\$46,362 & over
Add \$3,406 to the 'lower threshold' for each dependent child or student. Add \$4,257 to the upper threshold for each dependent child or student.			
<b>Eligible for SAPTO (2015/2016)**</b>			
Single	\$0 – \$34,758	\$34,759 – \$43,447	\$43,448 & over
Couple	\$0 – \$48,385	\$48,386 – \$60,481	\$60,482 & over

\*Note: Reduced Medicare levy is 10c (shade in rate) for every dollar over the 'lower threshold'.  
The full 2.0% is applicable where taxable income is over the 'upper threshold' for the reduced Medicare levy.

# Taxation

## Medicare levy surcharge (2018/2019)

	Single	Family	Surcharge
Tier 1	\$ 90,001 – \$105,000	\$180,001 – \$210,000	1.00%
Tier 2	\$105,001 – \$140,000	\$210,001 – \$280,000	1.25%
Tier 3	\$140,001 & over	\$280,001 & over	1.50%

\*Note: \*The threshold includes taxable income, reportable fringe benefits, reportable super contributions and total net investment loss, and is increased by \$1,500 per child after the first. Single parents and couples (including de facto couples) are subject to family tiers. Medicare levy surcharge only applies if not covered by private health insurance. The annual indexation of the Medicare levy surcharger income levels is frozen for a further three years from 1 July 2018 to 30 June 2021.

## Non-resident personal tax rates (2018/2019)

Taxable Income	Marginal Rate*	Tax Payable
\$0 – \$90,000	32.5%	32.5c for each \$1
\$90,001 – \$180,000	37.0%	\$29,250 plus 37.0c for each \$1 over \$ 90,000
\$180,001 & over	45.0%	\$62,550 plus 45.0c for each \$1 over \$180,000

\*Medicare levy do not apply to non-residents.

## Tax rate for Minors – unearned income (2017/2018)

Eligible Income	Marginal rate
\$0 – \$416	Nil
\$417 – \$1,307	66.0%** of each \$1 over \$416
\$1,307 & over	45.0%** of the entire income

Note: 'Earned income' is taxed at adult marginal rates. LITO is not available for 'unearned income' of minors.

## Other tax rates

### Resident personal tax rates (2018/2019)

Eligible Income	Marginal rate
Company	30.0%
Entities under the threshold (\$50m)	27.5%
Superannuation fund:	
• Complying	15%
• Non-complying	45%
Insurance and Friendly Society Bonds	30%

### Fringe benefit tax rate (1 April 2018 to 31 March 2019)

Fringe benefit provided	Gross-up rate
After 30/06/2000 which have been eligible to an input tax credit under GST regime	2.0802
Does not attract an input tax credit	1.8868

FBT rate is 47.0%\*\* and calculated on the tax-inclusive value of the fringe benefit provided in the year.

\*\*includes the 2.0% Medicare Levy.

## Capital gains tax

The assessable capital gain is included in the individual's taxable income and is taxed at marginal tax rate.

Asset bought before 20 September 1985
Capital gains tax exempt
Asset bought before 20 September 1985
For assets held for more than 12 months, taxpayers can choose to either: <ul style="list-style-type: none"> <li>■ Pay capital gains tax on 50% of the difference between the original cost base and the disposal price) OR</li> <li>■ Pay capital gains tax on the difference between the indexed cost base and the disposal price. The indexed cost base is the original cost base multiply by the frozen CPI index (68.7) as at September 1999 divide by the CPI index for quarter of acquisition.</li> </ul>
For assets held for less than 12 months, capital gains tax is payable on the whole gain.

**Assets bought on or after 21 September 1999**

For assets held for more than 12 months, taxpayer pay capital gains tax on 50% of the difference between the cost base and the disposal price. Only the 50% discount applies. No indexation is available. For assets held for less than 12 months, capital gains tax is payable on the whole gain.

## Tax Offsets

The assessable capital gain is included in the individual's taxable income and is taxed at marginal tax rate.

### Low income tax offset (LITO) 2018/2019

<b>Taxable Income</b>	<b>LITO formula (to 30 June 2022)</b>
Up to \$37,000	\$445
\$37,000 - \$66,667	\$445 less 1.5 cents for each dollar over \$37,000
\$66,668 +	Nil

LITO makes the tax free threshold effectively \$20,542, but \$21,980 is where no Medicare Levy is applicable.

### Low and Medium Income Tax Offset (LMITO) 2018/2019

<b>Taxable Income</b>	<b>LMITO formula (to 30 June 2022)</b>
Up to \$37,000	\$200
\$37,000 - \$ 48,000	\$200 plus 3 cents for each dollar over \$37,000
\$48,001 - \$ 90,000	\$530
\$90,000 - \$125,333	\$530 less 1.5 cents for each dollar over \$90,000

From 1 July 2022 a new low income offset of up to \$645 will replace both LITO and LMITO.

## Seniors and Pensioners tax offset (SAPTO)

Low income aged person	Max. offset*	Shade-out threshold	Cut-out threshold
Single	\$2,230	\$32,279	\$50,119
Couple (each)	\$1,602	\$28,974	\$41,790
Couple separated due to illness (each)	\$2,040	\$31,279	\$47,599

\*The maximum offset reduces by 12.5c for every dollar of rebate income over the shade-out threshold and erodes entirely at the cut-out threshold. Rebate income includes taxable income, adjusted fringe benefits, reportable super contributions and total net investment loss.

## Seniors and Pensioners tax offset (SAPTO)

	Single	<65	65-69	70+	Family	<65	65-69	70+
	\$ 90,000 or less	25.415%	29.651%	33,887%	\$180,000 or less	25.415%	29.651%	33,887%
Tier 1	\$ 90,001 – \$105,000	16.943%	21.180%	25.415%	\$180,001 – \$210,000	16.943%	21.180%	25.415%
Tier 2	\$105,001 – \$140,000	8.471%	12.707%	16,943%	\$210,001 – \$280,000	8.471%	12.707%	16,943%
Tier 3	\$140,001 & over	nil	nil	nil	\$280,001 & over	nil	nil	nil

\*Note: \*The threshold includes taxable income, reportable fringe benefits, reportable super contributions and total net investment loss, and is increased by \$1,500 per child after the first. Single parents and couples (including de facto couples) are subject to family tiers. The annual indexation of the health insurance rebates income levels is frozen for a further three years from 1 July 2018 to 30 June 2021.

## Seniors and Pensioners tax offset (SAPTO)

The Net Medical Expenses Offset (NMETO) is being phased out over the period 1 July to 30 June 2018. Transitional arrangements allow claims for disability aids, attendant care or age care expenses to be made until 30 June 2019.

For singles and couples or families with adjusted taxable income up to and including \$90,000 and \$180,000 respectively, an offset is 20% of whatever is left (or 'the excess') of net medical expenses over \$2,333 that were paid in a financial year may be claimed. Net medical expenses are the total amount spent on medical expenses (on behalf of the taxpayer and their dependants) minus any reimbursement paid by private health insurance or Medicare. There is no upper limit on the amount that can be claimed.

Note:

Singles and couples or families with adjusted taxable income above the thresholds can only claim an offset of 10% of net medical expenses over \$5,504 (all thresholds are indexed annually).

# Superannuation

## Contributions

### Acceptance of contributions

Age of member	Fund may accept contributions that are:
Under age 65	Made by or on behalf of member at any time.
Age 65 to 69	Mandated contributions; or Made by or on behalf of the member provided the member meets the work test*.
Age 70 to 74	Mandated contributions; or Made by the member or voluntary employer contributions (including salary sacrifice) provided the member meets the work test* and the contributions are received within 28 days of the end of the month in which the member reaches age 75.
Age 75 & over	Mandated contributions under an industrial Award or workplace agreement.

### Concessional Contributions

Non-concessional contributions are sometimes known as 'after-tax' contributions and include:

- Personal contributions that an income tax deduction has not been claimed for, such as contributions made from take-home pay;
- Contributions made by a contributing spouse to a receiving spouse's super fund (but not a contribution as an employer); and
- Transfers from foreign super fund (but are not assessable income to the fund).



## Non-Concessional Contributions

Non-concessional contributions are sometimes known as 'after-tax' contributions and include:

- Personal contributions that an income tax deduction has not been claimed for, such as contributions made from take-home pay;
- Contributions made by a contributing spouse to a receiving spouse's super fund (but not a contribution as an employer); and
- Transfers from foreign super fund (but are not assessable income to the fund).

## Non-resident personal tax rates (2018/2019)

Contribution	Cap	Excess Contribution Tax (ECT)
Concessional contribution	\$25,000 pa	See full explanation below**
Non-concessional contribution - No work test if < age 65 and no 'bring forward' if > age 65.	\$100,000 pa \$300,000 (3 year limit)	See full explanation below

\*\*Excess concessional contributions also count towards the non-concessional contributions cap.

Note: Contributions made by employers or the self-employed are fully tax deductible up to age 75. The requirement to be substantially self-employed has been removed from 1 July 2017 and individuals are able to claim a tax deduction for personal contributions. From 1 July 2018, individuals with a total superannuation balance of less than \$500,000 will be able to carry forward their unused concessional contributions cap space amount on a rolling basis for a period of five years. Amounts that have not been used after five years will expire.

## Excess Concessional Contributions

Individuals who exceed their concessional contributions cap will have the excess amount included in their assessable income, and taxed at their marginal tax rate. They will also have to pay the excess concessional contributions (ECC) charge on the increase in tax liability. This charge is applied to recognise that the tax on excess concessional contributions is collected later than normal income tax. To reduce the tax liability, the ATO will apply a 15 tax offset to account for the contributions tax that has already been paid by the super fund. The individual may elect to withdraw up to 85% of the excess concessional contributions from their super fund to help pay their income tax assessment. Any excess concessional contributions withdrawn from their fund will not count towards their non-concessional contributions cap.

### Example: - Excess Concessional Contributions

During 2014-15, Mary (age 45) salary sacrificed to super, her total concessional contributions were \$40,000. Because Mary's concessional cap was \$30,000, her excess concessional contributions was \$10,000. Mary has taxable income of \$70,000. The ATO includes the \$10,000 and increases Mary's taxable income to \$80,000. She will be assessed at her effective marginal tax rate of 34.5% (including 2.0% Medicare levy).

The additional tax payable as a result of the excess concessional contributions is \$3,450. Mary is entitled to a tax offset equal to 15% of her excess concessional contributions, decreasing her tax liability by \$1,500. With the inclusion of the excess concessional contributions (ECC), Mary's tax liability has increased by \$1,950 (\$3,450 - \$1,500), and the ECC charge will be applied to this amount.

The daily ECC charge rate is based on the monthly average yield of 90-day Bank Accepted Bills plus an uplift factor of 3%. For January to March 2016 it was 5.22%, April to June 2016 it was 5.28%, July to September 2016 it was 5.01% and October to December 2016 it was 4.76%. The ECC charge period is calculated from the start of the income year in which the ECC were made and ends the day before the tax is due to be paid under the first income tax assessment for the year that includes the ECC.

## Excess Non-Concessional Contributions

Excess non-concessional contributions tax of 47% (including Medicare levy) is payable on excess non-concessional contributions.

## Contributions Tax

The regular contributions tax on concessional contributions is a flat rate of 15%, but for individuals with incomes over \$250,000 (including concessional contributions) some or all of their concessional contributions may be taxed 30%. The extra 15% tax is known as the 'Division 293 tax'. If an individual has an income of \$230,000 and concessional contributions of \$25,000, the total of the two amounts comes to \$255,000. The amount over \$250,000 is \$5,000, which means \$5,000 of the concessional contributions will be taxed at 30% and \$20,000 of the concessional contribution will be taxed of 15%. However, if the individual's income is over \$250,000 (without concessional contributions), all of the concessional contributions will be taxed at 30%.

## Concessional Contributions

The minimum SG contribution rate is 9.5% of an eligible employee's ordinary time earnings (OTE). The SG rate will remain at 9.5% until 30 June 2021. The maximum contribution earnings base requiring SG support in 2017/2018 is \$54,030 per quarter (i.e. \$216,120 pa., maximum SG of \$20,531.40). The minimum earnings base that requires SG contributions to be paid is \$450 per month.

No SG is payable where:

- Earnings of less than \$450 a month
- Part-time employees under 18 years, working under 30 hours per week

## Spouse super contribution offset (2017/2018)

Spouse assessable income (SAI)	Max. contribution (MC)	Max. offset (18% of the lesser of)
\$0 – \$37,000	\$3,000	MC or actual contribution
\$37,001 – \$40,000	\$3,000 – (SAI – \$37,000)	MC or actual contribution
\$40,000	Nil	Nil

An offset of 18% is available on spouse super contributions up to \$3,000. The maximum offset of \$540 is available when the spouse's total income (assessable income, reportable fringe benefits and reportable employer super contributions) is \$37,000 or less. The offset cuts out at \$40,000.

## Government Co-Contribution (2018/2019)

Adjusted Taxable Income (ATI)	Maximum Government Co-Contribution
\$0 – \$37,697	\$500 (50% of \$1,000 non-concessional contribution)
\$37,698 – \$52,697	\$500 less 3.33 cents for each dollar over \$37,697
\$52,698+	Nil

Must make a personal super contribution and earn 10% or more of total income from carrying on a business, eligible employment, or combination of both to be eligible.

## Low Income Superannuation Tax Offset (LISTO) 2017-18

- Contribution equal to 15% of concessional contribution up to maximum of \$500 (minimum payable is \$10)
- Paid to superannuation fund or retirement savings account (RSA)
- Adjusted taxable income must be less than \$37,000
- Must earn 10% or more of total income from carrying on a business, employment or combination of both

## Self Employed

- Not required to make contributions.
- The requirement to be substantially self-employed has been removed from 1 July 2017 and individuals are able to claim a tax deduction for personal contributions.

## Small business CGT retirement exemption

Lifetime CGT retirement exemption limit – \$500,000.

Must satisfy basic conditions applying to all CGT small business concessions. The amount chosen to be exempt must not exceed remaining CGT retirement exemption limit and:

- If under 55 exempt amount must be contributed into a complying superannuation fund or retirement savings account (RSA); or
- If 55 or over don't have to pay any amount into a complying superannuation fund or RSA.

## Taxation of Superannuation

### Preservation Age

Date of Birth	Preservation Age
Before 1 July 1960	55
1 July 1960 – 30 June 1961	56
1 July 1961 – 30 June 1962	57
1 July 1962 – 30 June 1963	58
1 July 1963 – 30 June 1964	59
On or after 1 July 1964	60

## Superannuation Benefits – Lump Sums (2018/2019)

	Thresholds <sup>^^</sup>	Tax Rates*
<b>Taxable component – taxed element<sup>^</sup></b>		
Age 60 & over		0%
Preservation age to age 59	\$0 – \$205,000 <sup>^</sup> low rate cap over \$205,000	0% 15.0%
Under preservation age	whole amount	20.0%
Departing Australian superannuation payment (DASP)		35.0%
<b>Taxable component – untaxed element<sup>^</sup></b>		
Age 60 & over	\$0 – \$1,480,000 untaxed plan cap over \$1,480,000	15.0% 45.0%
Preservation age to age 59	over \$205,000 \$205,000 – \$1,480,000 over \$1,480,000	15.0% 30.0% 45.0%
Under preservation age	\$0 – \$1,480,000 over \$1,480,000	30.0% 45.0%
Departing Australian superannuation payment (DASP)		45.0%

\* The rates excludes Medicare Levy of 2.0%.

\*\* Where benefits have been subject to tax in the fund, amounts are not assessable and are tax free.

<sup>^</sup> If benefit paid has a taxable component with both a taxed and untaxed element; the low rate cap applies to the taxed element first.

<sup>^^</sup> Indexed to AWOTE will only increase in \$5,000 increments.

## Superannuation Benefit – Income Streams (2018/2019)

	Maximum tax rate*
<b>Tax free component</b>	0%**
<b>Taxable component – taxed element</b>	
Age 60 & over	0%**
Preservation age to age 59	Marginal tax rate with 15% tax offset
Under preservation age	Marginal tax rate with no tax offset

## Superannuation Benefit – Income Streams (2018/2019)

	Maximum tax rate*
<b>Tax free component</b>	0%**
<b>Taxable component – taxed element</b>	
Age 60 & over	0%**
Preservation age to age 59	Marginal tax rate with 15% tax offset
Under preservation age	Marginal tax rate with no tax offset
<b>Taxable component – untaxed element</b>	
Age 60 & over	Marginal tax rate with 10% tax offset
Age 59 & under	Marginal tax rate with no tax offset
Under preservation age	Marginal tax rate with no tax offset

\*\* Where benefits have been subject to tax in the fund, amounts are not assessable, not exempt income.

\* Medicare levy (2.0%) will apply to assessable amounts.

## Superannuation Death Benefit Payments (2018/2019)

	Maximum tax rate*
<b>LUMP SUM – paid to dependent</b>	0%**
<b>LUMP SUM – paid to non-dependent</b>	
Tax free component	0%
Taxable component:	
■ Taxed element	15.0%
■ Untaxed element	30.0%
<b>PENSION – deceased/primary beneficiary over 60</b>	0%
<b>PENSION – Primary beneficiary under 60</b>	
Tax free component	0%
Taxable component	Marginal tax rate with 15% tax offset for individuals between preservation age and age 60

\* Medicare levy (2.0%) will apply to assessable amounts.

## Superannuation Income Streams

### ACCOUNT-BASED PENSION

The following percentage factors are used to calculate the minimum pension payments for account-based income streams commenced on or after 20 September 2007.

#### Minimum income stream percentage factors\*

Age	Regular Factor
	2018/2019 year
Under 65	4.00%
65 – 74	5.00%
75 – 79	6.00%
80 – 84	7.00%
85 – 89	9.00%
85 – 89	4.00%
90 – 94	11.00%
95 and over	14.00%

\*Amount calculated on 1 July each year, unless first year of account-based income stream, then pro-rated from commencement day. Minimum amount rounded to nearest \$10.

#### Minimum income stream standard

Account based income stream payments	
Minimum payment	Account balance x percentage factor
Maximum payment	No limit*

Must make minimum payment at least annually. No payment required in first year if person commenced between 1 June and 30 June. Maximum 10% pa for 'transition to retirement' pension.

**Non-account based income streams (from 20/9/07)**

Minimum payment

Purchase price of income stream x percentage factor

Must be paid annually. Minimum payment must ensure withdrawal value is equal to no more than 100% of the purchase price of the pension, or be a lifetime pension and have no residual capital and the first year pension equal to or more than the purchase price of the pension multiplied by respective percentage factor.

Existing income streams are deemed to satisfy the minimum income stream requirements.

**ALLOCATED PENSIONS AND ANNUITIES**

For pensions and annuities that commenced prior to 1 January 2006, providers can choose the percentage factors for the minimum income stream percentage factors or the pension valuation factors (PVF).

**Minimum and Maximum Pension Valuation Factors (PVF)**

Age	Min	Max	Age	Min	Max	Age	Min	Max
50	21.5	9.9	62	17.0	8.7	74	11.7	4.8
51	21.2	9.9	63	16.6	8.5	75	11.3	4.3
52	20.9	9.8	64	16.2	8.3	76	10.8	3.7
53	20.5	9.7	65	15.7	8.1	77	10.4	3.0
54	20.1	9.7	66	15.3	7.9	78	10.0	2.2
55	19.8	9.6	67	14.9	7.6	79	9.5	1.4
56	19.4	9.5	68	14.4	7.3	80	9.1	1.0
57	19.0	9.4	69	14.0	7.0	81	8.7	1.0
58	18.6	9.3	70	13.5	6.6	82	8.3	1.0
59	18.2	9.1	71	13.1	6.2	83	7.9	1.0
60	17.8	9.0	72	12.6	5.8	84	7.5	1.0
61	17.4	8.9	73	12.2	5.4	85	7.1	1.0



## ALLOCATED PENSIONS AND ANNUITIES

For pensions and annuities that commenced from 1 January 2006 to 20 September 2007, providers can choose the percentage factors for the minimum income stream percentage factors or the pension valuation factors (PVF).

### Minimum and Maximum Pension Valuation Factors (PVF)

Age	Min	Max	Age	Min	Max	Age	Min	Max
50	22.8	12.0	62	18.5	10.5	74	13.3	6.7
51	22.5	11.9	63	18.1	10.3	75	12.8	6.2
52	22.2	11.8	64	17.7	10.1	76	12.3	5.7
53	21.8	11.8	65	17.3	9.9	77	11.9	5.1
54	21.5	11.7	66	16.8	9.6	78	11.4	4.5
55	21.1	11.5	67	16.4	9.3	79	10.9	3.8
56	20.8	11.4	68	16.0	9.1	80	10.5	3.1
57	20.4	11.3	69	15.5	8.7	81	10.0	2.3
58	20.1	11.2	70	15.1	8.4	82	9.6	1.4
59	19.7	11.0	71	14.6	8.0	83	9.1	1.0
60	19.3	10.9	72	14.2	7.6	84	8.7	1.0
61	18.9	10.7	73	13.7	7.2	85	8.3	1.0

## TERM ALLOCATED PENSIONS (TAP) AND ANNUITIES

### Payment Factors

Term Remaining (years)	Payment Factor	Term Remaining (years)	Payment Factor	Term Remaining (years)	Payment Factor
45	22.50	30	18.39	15	11.52
44	22.28	29	18.04	14	10.92
43	22.06	28	17.67	13	10.30
42	21.83	27	17.29	12	9.66
41	21.60	26	16.89	11	9.00
40	21.36	25	16.48	10	8.32
39	21.10	24	16.06	9	7.61
38	20.84	23	15.62	8	6.87
37	20.57	22	15.17	7	6.11
36	20.29	21	14.70	6	5.33
35	20.00	20	14.21	5	4.52
34	19.70	19	13.71	4	3.67
33	19.39	18	13.19	3	2.80
32	19.07	17	12.65	2	1.90
31	18.74	16	12.09	1 or less	1.00

## Employment Termination Payments

An employment termination payment (ETP) is a payment made in consequence of the termination of employment. It can include:

### Bona fide redundancy Tax-Free Amount (2018/2019)

\$10,399 (base amount) plus \$5,200 (service amount) for each completed year of service. This is non-ETP and cannot be rolled over to a super fund.

### Life benefit employment termination payments (2018/2019)

	Thresholds <sup>^</sup>	Maximum tax rate*
<b>Tax free component</b>		0%
<b>Taxable component</b>		
Under preservation age	\$0 – \$205,000 <sup>^</sup> Balance	30.0% 45.0%*
Preservation age or over	\$0 – \$205,000 <sup>^</sup> Balance	15.0% 45.0%

\* The rates excludes Medicare Levy of 2.0%

<sup>^</sup> Indexed to AWOTE and will only increase in \$5,000 increments.

### Life benefit employment termination payments (2018/2019)

	Thresholds <sup>^</sup>	Maximum tax rate*
<b>Dependent</b>		
Tax free component		0%
Taxable component	\$0 – \$205,000 <sup>^</sup> Balance	0% 45.0%*
<b>Non-dependent</b>		
Tax free component		0%
Taxable component	\$0 – \$205,000 <sup>^</sup> Balance	30.0% 45.0%*

\* The rates excludes Medicare Levy of 2.0%

<sup>^</sup> Indexed to AWOTE and will only increase in \$5,000 increments.

## Other termination payments (2018/2019)

Non ETP lump sum payments	Period of accrual	Assessable amount	Max. tax rate*
Unused long service leave	Pre 16/8/78	5%	Marginal rate
	16/5/78 – 17/8/93	100%	30%
	Post 17/8/93	100%	30%
Accrued annual leave	Pre 18/8/93	100%	30%
	Post 17/8/93	100%	Marginal rate

\* Tax rates excludes Medicare levy of 2.0% which needs to be added to the applicable rate.

## Bona fide redundancy, invalidity or approved early retirement scheme payments (2017/2018)

Non ETP lump sum payments	Period of accrual	Assessable amount	Max. tax rate*
Unused long service leave	Pre 16/8/78	5%	Marginal rate
	Post 15/8/78	100%	30%
Accrued annual leave	Full period	100%	30%

\* Tax rates excludes Medicare levy of 2.0% which needs to be added to the applicable rate.

# Social Security

## Age Pension

### Age Pension Age

Date of Birth	Eligible for Age Pension at Age
	<b>Men and Women</b>
1 July 1952 – 31 December 1953	65.5
1 January 1954 – 30 June 1955	66.0
1 July 1955 – 31 December 1956	66.5
1 January 1957 – 30 June 1958	67.0
1 July 1958 – 31 December 1959	67.5
1 January 1960 – 30 June 1961	68.0
1 July 1961 – 31 December 1962	68.5
1 January 1963 – 30 June 1964	69.0
1 July 1964 – 31 December 1965	69.5
1 January 1966 and later	70.0

### Age Pension Payment Rates (effective from 20 March to 19 September 2018)

Family Situation	Maximum Benefit* (per fortnight)	Maximum Benefit* (per annum)
Single	\$907.60	\$23,597.60
Couple (each)	\$684.10	\$17,786.60

\* These amounts include the Supplement amount of \$67.30 a fortnight for singles and \$50.70 a fortnight for couples (each) or Clean Energy Supplement amount of \$14.10 a fortnight for singles and \$10.60 a fortnight for couples (each). The 'Pension Rates' are adjusted twice yearly – in March and September in line with increase in the cost of living. This includes the higher of the increase in the Consumer Price Index (CPI) and the increase in the Pensioner and Beneficiary Living Cost Index (PBLCI).

## Allowance Payment Rates (effective from 20 March to 19 September 2018)

Family Situation	Maximum Benefit* (per fortnight)	Maximum Benefit* (per annum)
Single, 22 or over, no children	\$545.80	\$14,190.80
Single, 22 or over, with dependent children	\$590.40	\$15,350.40
Single, 60 or over after 9 months	\$590.40	\$15,350.40
Couple (each)	\$492.80	\$12,812.80
Single principal carer of a dependent child (granted an exemption for foster caring/home schooling/distance education/ large family)	\$762.40	\$19,822.40

\* These amounts include a Supplement amount for recipients under Age Pension age. Excludes Pharmaceutical Allowance (PhA). PhA may be paid in certain circumstances. Payment may be deferred where liquid assets equal or exceed \$5,500 for singles or \$11,000 for couples and those with dependent children, Partner and Special Benefits.

## Income Test for Pensions (effective from 1 July to 19 September 2018)

Family Situation	Income Threshold* (per fortnight)	Income cut-out (per fortnight)
Single	\$172	\$1,987.20
Couple (combined)	\$304	\$3,040.40
Couple separated due to illness (combined)	\$304	\$3,934.40

\* Income over these amounts reduces the rate of pension by 50 cents in the dollar. The lower threshold is normally adjusted in line with the Consumer Price Index (CPI) on 1 July of each year. The upper threshold is adjusted on 1 July of each year, and also adjusted on 20 March and 20 September of each year.

## Income Test for Allowances (effective from 1 July to 19 September 2018)

Family Situation	Income Threshold* (per fortnight)	Income cut-out (per fortnight)
Single, 22 or over, no children	\$104	\$1,053.34
Single, 22 or over, with dependent children	\$104	\$1,128.84
Single, 60 or over after 9 months	\$104	\$1,139.17
Couple (each)	\$104	\$ 963.50
Single principal carer of a dependent child (granted an exemption for foster caring/home schooling/distance education/ large family)	\$104	\$2,040.00

\* Fortnightly income between \$104 and \$254 reduces fortnightly allowance by 50 cents in the dollar. For income above \$254.00 per fortnight reduces fortnightly allowance by \$75 plus 60 cents for each dollar over \$254. Partner income which exceeds cut-out point reduces fortnightly allowance by 60 cents in the dollar. This point is where the allowance would not be payable.

## Deeming Rates (effective from 1 July to 19 September 2018)

Family Situation	Financial Investment	Deeming Rate
Single (Pension or Allowance)	\$0 – \$51,200	1.75%
	Balance	3.25%
Couple – combined (Pensioner)	\$0 – \$85,000	1.75%
	Balance	3.25%
Couple – for each allowee (Neither is pensioner)	\$0 – \$42,500	1.75%
	Balance	3.25%

Note: Deeming rates are set by agreement between the Ministers for the Department of Families, Housing, Community Services and Indigenous Affairs (FaHCSIA) and the Department of Education, Employment and Workplace Relations (DEEWR).

## Assets Test for Pensions (effective from 1 July 2018)

Family Situation	Lower Threshold*	Upper Threshold
<b>Home owner</b>		
Single	\$285,500	\$561,250
Couple (combined)	\$387,500	\$844,000
Couple separated due to illness (combined)	\$387,500	\$993,000
One partner eligible (combined assets)	\$387,500	\$844,000
<b>Non-home owner</b>		
Single	\$590.40	\$768,250
Couple (combined)	\$492.80	\$1,051,000
Couple separated due to illness (combined)	\$590.40	\$1,200,000
One partner eligible (combined assets)	\$492.80	\$1,051,000

Assets over these amounts reduces the rate of pension by \$3.00 per fortnight for every \$1,000 above the amount (single and couple combined). The lower threshold is normally adjusted in line with the Consumer Price Index (CPI) on 1 July of each year. The upper threshold is adjusted on 1 July of each year, and also adjusted on 20 March and 20 September of each year.

Payment will be cancelled when the assets are more than the amounts below

Family Situation	Homeowner	Non-Homeowner
Single	\$258,500	\$465,500
Couple (combined)	\$387,500	\$594,500
One partner eligible (combined assets)	\$387,500	\$594,500



## Life Tables, Australia, 2010 – 2012

Life expectancy for people at each age

Age	Life Expectancy (yrs)		Age	Life Expectancy (yrs)	
	Male	Female		Male	Female
50	32.20	35.67	76	11.05	13.08
51	31.29	34.74	77	10.41	12.33
52	30.38	33.80	78	9.78	11.61
53	29.49	32.87	79	9.18	10.90
54	28.59	31.95	80	8.60	10.21
55	27.71	31.12	81	8.04	9.55
56	26.83	30.10	82	7.51	8.90
57	25.95	29.19	83	7.00	8.29
58	25.09	28.28	84	6.52	7.70
59	24.22	27.37	85	6.06	7.14
60	23.37	26.47	86	5.64	6.61
61	22.52	25.57	87	5.24	6.11
62	21.68	24.68	88	4.87	5.65
63	20.85	23.80	89	4.52	5.22
64	20.03	22.92	90	4.21	4.82
65	19.22	22.05	91	3.92	4.45
66	18.41	21.18	92	3.66	4.12
67	17.62	20.33	93	3.44	3.82
68	16.84	19.48	94	3.24	3.55
69	16.07	18.64	95	3.06	3.32
70	15.31	17.80	96	2.91	3.11
71	14.56	16.98	97	2.78	2.93
72	13.83	16.18	98	2.67	2.77
73	13.11	15.38	99	2.57	2.62
74	12.40	14.60	100	2.46	2.50
75	11.72	13.83			

The life tables depict the mortality experience of a hypothetical group of newborn babies throughout their entire lifetime. It is based on the assumption that this group is subject to the age-specific mortality rates of the referenced period.

## Consumer Price Index (CPI)

Year	Mar 31	Jun 30	Sep 30	Dec 31
2018	112.6			
2017	110.5	110.7	111.4	112.1
2016	108.2	108.6	109.4	110.0
2015	106.8	107.5	108.0	108.4
2014	105.4	105.9	106.4	106.6
2013	102.4	102.8	104.0	104.8
2012	99.9	100.4	101.8	102.0
2011	98.3	99.2	99.8	99.8
2010	95.2	95.8	96.5	96.9
2009	92.5	92.9	93.8	94.3
2008	90.3	91.6	92.7	92.4
2007	86.6	87.7	88.3	89.1
2006	84.5	85.9	86.7	86.6
2005	82.1	82.6	83.4	83.8
2004	80.2	80.6	80.9	81.5
2003	78.6	78.6	79.1	79.5
2002	76.1	76.6	77.1	77.6
2001	73.9	74.5	74.7	75.4
2000	69.7	70.2	72.9	73.1
1999	67.8	68.1	68.7	69.1
1998	67.0	67.4	67.5	67.8
1997	67.1	66.9	66.6	66.8
1996	66.2	66.7	66.9	67.0
1995	63.8	64.7	65.5	66.0
1994	61.5	61.9	62.3	62.8
1993	60.6	60.8	61.1	61.2
1992	59.9	59.7	59.8	60.1
1991	58.9	59.0	59.3	59.9
1990	56.2	57.1	57.5	59.0
1989	51.7	53.0	54.2	55.2
1988	48.4	49.3	50.2	51.2
1987	45.3	46.0	46.8	47.6
1986	41.4	42.1	43.2	44.4
1985	37.9	38.8	39.7	40.5

Note: The ABS changed the index reference base in September 2012 from 1989-90 to 2011-12. As a result all CPI rates have been rest and the previous rates no longer apply and can no longer be used for tax and superannuation purposes.

## Consumer Price Index (CPI)

Year	Mar 31	Jun 30	Sep 30	Dec 31
2007	\$1,073.80	\$1,090.00	\$1,105.10	\$1,108.50
2008	\$1,124.80	\$1,131.10	\$1,151.40	\$1,165.30
2009	\$1,183.40	\$1,195.60	\$1,204.20	\$1,226.80
2010	\$1,243.90	\$1,250.10	\$1,258.80	\$1,275.20
2011	\$1,291.30	\$1,304.70	\$1,324.90	\$1,330.10
2012	\$1,348.10	\$1,349.20	N/A**	\$1,396.00
2013	N/A**	\$1,420.90	N/A**	\$1,437.00
2014	N/A**	\$1,454.10	N/A**	\$1,477.00
2015	N/A**	\$1,483.10	N/A**	\$1,500.50
2016	N/A**	\$1,516.00	N/A**	\$1,533.40
2017	N/A**	\$1,543.20	N/A**	\$1,569.60
2018	N/A**			

\*\* Changed to biannual, not quarterly.

# Online Resources

Organisation	Web Link	Services
Mentor Education Group	<a href="http://www.mentor.edu.au">www.mentor.edu.au</a>	Financial services training for industry professionals.
Australian Taxation Office	<a href="http://www.ato.gov.au">www.ato.gov.au</a>	Info on individual taxation, superannuation, business taxation.
Department of Human Services	<a href="http://www.humanservices.gov.au">www.humanservices.gov.au</a>	Info on Centrelink payments and services.
Australian Securities and Investments Commission	<a href="http://www.asic.gov.au">www.asic.gov.au</a>	Regulatory guidelines and compliance information for financial services industry professionals.
ASIC's MoneySmart	<a href="http://www.fido.gov.au">www.fido.gov.au</a>	Consumer information on money tips, financial calculators and general financial literacy education.
Australian Securities Exchange	<a href="http://www.asx.com.au">www.asx.com.au</a>	Info on stock quotes, market data, share prices, tools and resources as well as investment information.
Study Assist	<a href="http://www.studyassist.gov.au">www.studyassist.gov.au</a>	Info on HECS – HELP and higher education.
My Aged Care	<a href="http://www.myagedcare.gov.au">www.myagedcare.gov.au</a>	Info on aged care services.

## Disclaimer

The financial information provided is believed to be accurate as at 20 July 2018. However, all financial information is subject to regular rate changes and legislation amendments. Therefore, the information is intended as a guide only and should be used in conjunction with the latest Government information.

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