



Blueprint Stop Press

30% Private Health Rebate

Based on your level of income, the Private Health Rebate will be reducing for families with incomes over \$168,000 or individuals earning over \$84,000 from 1 July 2012.

We have uncovered a once-off opportunity to the new Health Insurance Rebate changes.

If you prepay your annual premium before the end of June 2012, to cover the next 12 months, you will still receive the current rebate reduction on your premium and not the new (worse off) rebate.

The current rebate is dependent on your age and finishes on 30 June 2012.

Current rebate

- 30% for people under 65;
- 35% for people aged 65-69; and
- 40% for people aged 70 and over

The new rebate starts on 1 July 2012 and there can be big savings if you prepay your policy for those with income above the rates in the table below.

Action:

If you and your partner earn more than \$168,000 per annum (or \$84,000 as an individual) you should contact your private health insurance company and request to pay for your next financial year premiums in June 2012. Please be aware that this is a once-off saving and will not be possible every year.



Tier	Income (\$)		Private Health Insurance Rebate			Medicare Levy Surcharge
	Singles	Families	Under age 65	Age 65 – 69	Age 70 or over	
		0 - 84,000	0 – 168,000	30%	35%	
1	84,001 – 97,000	168,001 – 194,000	20%	25%	30%	1%
2	97,001 – 130,000	194,001 – 260,000	10%	15%	20%	1.25%
3	\$130,001 +	\$260,001 +	0%	0%	0%	1.5%

These thresholds increase annually, indexed by Average Weekly Ordinary Time Earnings. For families with more than one child, the family thresholds increase by \$1,500 for every child after the first.

BUDGET 2012

Are you over age 50?

Changes to Superannuation Contribution limits

The 9% Super Guarantee plus the amount you can salary sacrifice into superannuation (concessional contribution) is currently capped at \$50,000 for people over age 50.

If you are over age 50, this is an opportunity to contribute up to \$50,000 for this current financial year into your superannuation before 30 June 2012. This will only be taxed at 15% as opposed to your higher personal marginal rate of tax. Please call our office if you would like to discuss this strategy in more detail.

On the 1st of July 2012, the concessional contribution cap is due to reduce back to the standard rate of \$25,000 for everyone regardless of your age.

Hence, if you are over age 50, you can only contribute a maximum of \$25,000 per annum into your superannuation as a concessional contribution from 1 of July 2012.

The government announced that in July 2014, people with less than \$500,000 in super may be able to contribute back up to a higher concessional contribution limit of \$55,000.

Action:

If you are salary sacrificing each month up to the current limit of \$50,000 per annum, you need to review this in July/August 2012.

Concessional Contribution caps from 1 July 2011 to 1 July 2014

Financial Year	2011 / 2012	2012 / 2013	2013 / 2014	2014 / 2015
Under age 50 Concessional Contribution Cap	\$25,000	\$25,000	\$25,000	\$30,000
Over age 50 Concessional Contribution Cap	\$50,000	\$25,000	\$25,000	\$55,000*

* Note : Where the individual's super balance is less than \$500,000

Superannuation Co-contribution

The superannuation co-contribution is a government initiative to help eligible individuals boost their super savings for the future.

Prior to 30 June 2012 the government will match up to \$1,000 of your personal super contributions if your income is below \$31,920 per annum.

You need to be working, where 10% or more of your total income comes from eligible employment-related activities.

From July 1 2012, the government will reduce the super co-contribution from \$1 to 50¢, reducing the maximum benefit from \$1000 to \$500pa.

The measure also states those earning more than \$46,920 will no longer get a partial benefit compared with an upper income threshold of \$61,920 this year.



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	Lower income threshold	Higher income threshold	What will I receive for every \$1 of eligible personal super contributions?
From 1 July 2009 until 30 June 2012	\$31,920	\$61,920	\$1, up to your maximum entitlement of \$1,000
From 1 July 2012	\$31,920	\$46,920	50c, up to your maximum entitlement of \$500

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