



2019 Federal Budget Summary

2 April 2019

Treasurer Josh Frydenberg's first Budget focuses on reducing the tax burden for the majority of working Australians, greater superannuation flexibility for retirees and a one off energy relief payment for eligible income support recipients.

Note: These changes are proposals only and may or may not be made law.

Personal Tax Savings

Immediate tax relief:

- Low and middle income earners will receive a tax saving of up to \$1,080 per person. This can be claimed in the 2018/19 tax return.

Reduction in key marginal tax rate:

- From 1 July 2024, the current 32.5 per cent marginal tax rate will drop to 30 per cent for income between \$45,000 and \$200,000.

Minimisation of bracket creep:

- Government projections show that top marginal tax rate for 94 per cent of taxpayers will be no more than 30 per cent.

Preservation of tax relief for low and middle income earners:

- From 1 July 2022, the 19 percent tax bracket will increase from \$41,000 to \$45,000, with an increase in the low income tax offset from \$645 to \$700.

Greater Superannuation Flexibility For Retirees

Changes to voluntary super contributions:

- Australians aged 65 and 66 will be able to make both concessional and non-concessional voluntary super contributions without meeting the Work Test – removing the need for people of this age to work a minimum 40 hours over a 30 day period.

Increasing age limit for spouse contributions:

- The age limit for people to receive contributions from another person on their behalf increases from 69 to 74 years.

Extended access to bring-forward arrangements:

- People aged 66 and under will now be able to make three years' worth of non-concessional contributions to their super in a single year, capped at \$100,000 a year.



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Small to Medium Business

Increase in instant asset write-off:

- Threshold for the instant asset write-off increases to \$30,000 from its current mark of \$20,000. It has also been broadened to include businesses with up to \$50 million in turnover, making it available to around 3.4 million Australian businesses.

Fast track of company tax rate cut:

- Shifting to 25 percent rate for small and medium-sized companies with annual turnover of less than \$50 million.

Pensioners and Welfare Recipients

Energy Assistance Payment:

- Over 3.9 million Australians will automatically receive a one-off payment of \$75 for singles and \$125 for couples to assist with their power bills. This payment will be exempt from income tax, and subject to the passing of legislation will be paid before the end of the current financial year.

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