

Key Financial Data for FY 2020/21



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2020 Tax Rate Schedule					
Taxable income (\$)	Base amount of tax (\$)		Marginal tax rate	Of the amount over (\$)	LT Capital Gains Rate*
Single					
0 to 9,875		+	10.0		0%
9,876 to 40,125	987.50	+	12.0	9,875	<\$40,000 -> 0% >\$40,000 -> 15%
40,126 to 85,525	4,617.50	+	22.0	40,125	15%
85,526 to 163,300	14,605.50	+	24.0	85,525	15%
163,301 to 207,350	33,271.50	+	32.0	163,300	15%
207,351 to 518,400	47,367.50	+	35.0	207,350	<\$441,450 -> 15% >\$441,450 -> 20%
Over 518,400	156,235.00	+	37.0	518,400	20%
Married filing jointly and surviving spouses					
0 to 19,750		+	10.0		0%
19,751 to 80,250	1,975.00	+	12.0	19,750	<\$80,000 -> 0% >\$80,000 -> 15%
80,251 to 171,050	9,235.00	+	22.0	80,250	15%
171,051 to 326,600	29,211.00	+	24.0	171,050	15%
326,601 to 414,700	66,543.00	+	32.0	326,600	15%
414,701 to 622,050	94,735.00	+	35.0	414,700	<\$496,600 -> 15% >\$496,600 -> 20%
Over 622,050	167,307.50	+	37.0	622,050	20%
Estates and trusts					
0 to 2,600		+	10.0		0%
2,601 to 9,450	260.00	+	24.0	2,600	<\$2,650 -> 0% >\$2,650 -> 15%
9,451 to 12,950	1,904.00	+	35.0	9,450	15%
Over 12,950	3,129.00	+	37.0	12,950	<\$13,150 -> 15% >\$13,150 -> 20%
Tax Deadlines					
January 15 - 4th installment of the previous year's estimated taxes due					
April 15 - Tax filing deadline, or request extension to October 15. 1st installment of 2020 taxes due. Last day to file amended return for 2016. Last day to contribute to: Roth or Traditional IRA for 2019; HSA for 2019; Keogh or SEP for 2019 (unless tax filing deadline has been extended).					
June 15 - 2nd installment of estimated taxes due					
September 15 - 3rd installment of estimated taxes due					
October 1 - Last day to establish a SIMPLE IRA for 2020					
October 15 - For those with an extension: tax returns due, last day to contribute to 2019 SEP or Keogh.					
December 31 - Last day to: pay expenses for itemized deductions; complete transactions for capital gains/losses; establish 2020 Keogh plan; establish, fund 2020 Solo 401(k); complete 2020 contributions to employer-sponsored 401(k) plans; correct excess contributions to IRAs, qualified plans to avoid penalty.					

Standard Deductions & Personal Exemption			
Filing status	Standard deduction	Personal exemption	Phaseouts begin at AGI:
Married, filing jointly and qualifying widow(er)s	\$24,800	Personal exemptions are eliminated for 2020. They are, however, expected to return after December 31, 2025.	
Single or married, filing separately	\$12,400		
Head of Household	\$18,650		
Dependent filing tax return	\$1,100*		
Additional deductions for non-itemizers			
Blind or over 65 (Single or HOH)	Add \$1,650		
Blind or over 65 (all other filing statuses)	Add \$1,300		
3.8% Tax on Lesser of Net Investment Income or Excess of MAGI Over			
Married, filing jointly			\$250,000
Single			\$200,000
Married, filing separately			\$125,000
Gift and Estate Tax Exclusions and Credits			
Maximum estate, gift & GST rates			40%
Estate, gift & GST exclusions			\$11,580,000
Gift tax annual exclusion			\$15,000
Exclusion on gifts to non-citizen spouse			\$157,000
Retirement Plan Contribution Limits			
Annual compensation used to determine contribution limits			\$285,000
Defined-contribution plans, basic limit			\$57,000
Defined-benefit plans, basic limit			\$230,000
401(k), 403(b), 457(b), Roth 401 (k) plans elective deferrals			\$19,500
Catch-up provision for individuals 50 and over, 401(k), 403(b), 457(b), Roth 401(k) plans			\$6,500
SIMPLE plans, elective deferral limit			\$13,500
SIMPLE plans, catch-up contribution for individuals >50			\$3,000

*Greater of \$1,050 or \$350 plus the individual's earned income.

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Individual Retirement Accounts			
IRA type	Contribution Limit	Catch-up at 50+	Income limits
Traditional nondeductible	\$6,000	\$1,000	None
Traditional deductible	\$6,000	\$1,000	If covered by a plan: \$104,000-\$124,000 joint \$65,500-\$75,000 single, HOH \$0-\$10,000 married filing separately If one spouse covered by a plan: \$196,000-\$206,000 joint
Roth	\$6,000	\$1,000	\$196,000-\$206,000 joint; \$124,000-\$139,000 single & HOH; \$0-\$10,000 married filing separately and active participant in a plan
Roth conversion			None
Tax (FICA)			
SS tax paid on income up to \$132,900		% withheld	Maximum tax payable
Employer pays		6.20%	\$8,537.40
Employee pays		6.20%	\$8,537.40
Self-employed pays		12.40%	\$17,074.80
Medicare tax paid on all income			
Employer pays		1.45%	varies per income
Employee pays		1.45% + 0.9% on income over \$200,000 (single) or \$250,000 (joint)	varies per income
Self-employed pays		2.9% + 0.9% on income over \$200,000 (single) or \$250,000 (joint)	varies per income
Provisional income = gross income, tax-free interest, and 50% of Social Security benefits			
Social Security			
Benefits			
Full retirement age (FRA) is 66 years old if born between 1943 and 1954			
Maximum monthly benefit		\$3,790	
Retirement earnings exempt amounts		\$18,240 under FRA \$48,600 during year reach FRA No limit after FRA	

2020/21 Australian Individual Tax Rates and Medicare Surcharges

Taxable Income		Residents Tax Payable*	Non-Residents Tax Payable
\$0 - \$18,200		Nil	32.5% > \$0
\$18,201 - \$37,000		\$0 + 19% > \$18,200	32.5% > \$0
\$37,001 - \$90,000		\$3,572 + 32.5% > \$37,000	32.5% > \$0
\$90,001 - \$180,000		\$20,797+ 37% > \$90,000	\$29,250 + 37% > \$90,000
Over \$180,000		\$54,097 + 45% > \$180,000	\$62,550 + 45% > \$180,000

*Rates exclude Medicare Levy of 2%

Minors Non-Working (Unearned) Income

Taxable Income		Residents Tax Payable*
\$0 - \$416		Nil
\$417 - \$1,307		66% of each \$1 over \$416
Over \$1,307		45% of entire amount

*Rates exclude Medicare Levy of 2%.

Medicare Levy

	No Levy Where Taxable Income	Reduced Levy Where Taxable Income*	Full 2.0% Levy Where Taxable Income
Single Seniors and Pensioners			
Single	\$0 - \$35,418	\$35,419 - \$44,272	Over \$44,272
Couple	\$0 - \$49,304	\$49,305 - \$61,630	Over \$61,630
All Other Tax Payers			
Single	\$0 - \$22,397	\$22,398 - \$27,977	Over \$27,977
Couple	\$0 - \$37,794	\$37,795 - \$47,242	Over \$47,242

*10c/dollar within income range for single individuals, more complex rules apply to couples.
Add \$3,471 to the lower threshold for each dependent child or student.
Add \$4,339 to the upper threshold for each dependent child or student.

Medicare Levy Surcharges*

Rates	0%	1.00%	1.25%	1.50%
Single	\$90,000 or less	\$90,001-\$105,000	\$105,001- \$140,000	Over \$140,000
Family**	\$180,000 or less	\$180,001-\$210,000	\$210,001- \$280,000	Over \$280,000

Private Health Insurance Rebate***

Under 65	25.059%	16.706%	8.352%	Not Eligible
Over 65-69	29.236%	20.883%	12.529%	Not Eligible
70 or Over	33.413%	25.059%	16.706%	Not Eligible

Medicare Levy Surcharges

*Income for Medicare levy surcharge purposes includes taxable income reportable fringe benefits, reportable super contributions and total net investment losses. Income thresholds are indexed and will remain unchanged until 30 June 2021.
**Family income threshold increases by \$1,500 for each Medicare Levy surcharge dependent child after the first child.
***Income brackets for medicare levy surcharge and health insurance rebate are identical. If the oldest person moves into the next age group during the year, the rebate is based on the number of days that person was in each group.

Capital Gains Tax

Asset Bought Pre-21 September 1999

1. Apply a 50% allowance and pay capital gains tax on the whole of the difference between the original cost base and the disposal price OR

2. Index the cost base and pay capital gains tax on the difference between the indexed cost base and the disposal price. Indexed cost base = Original cost base x (68.7/CPI Factor) as indexation of a cost base was frozen at 30 September 1999.

Asset Bought On or After 21 September 1999

For assets held for at least 12 months, 50% of the capital gain is included in the individual's assessable income. For assets held for less than 12 months, capital gains tax is payable on the whole of the difference between the cost base and the disposal price. No indexation is available for these assets.

Superannuation

Contribution Type	Age	Contribution Limit
Concessional	All Ages	\$25,000
Non-Concessional	Under 75	\$100,000*

*From July 1, 2017, individuals with a superannuation balance of \$1.6 million or over at the end of the prior financial year will have a non-concessional contribution limit of nil. Individuals under age 65 can bring forward 2 years' worth of non-concessional contributions for a \$300,000 cap to apply over 3 years.

Government Co-Contribution

The matching rate for the superannuation co-contribuion is 50% with a maximum co-contribution of \$500 that is payable on an individual's eligible personal non-concessional superannuation contributions. For 2020/21, the maximum co-contribution of \$500 reduces by 3.33 cents per dollar over the total income threshold of \$39,837 with nil co-contribution payable once total income reaches \$54,837.

Super Guarantee (SG)

The minimum SG contribution rate for 2020/21 is 9.50% of an eligible employee's ordinary time earnings. The maximum earnings base requiring SG support in 2020/21 is \$57,090 per quarter. The minimum earnings base that requires SG to be paid is \$450 per month.

Note: The SG rate will remain at 9.5% for six years, increasing to 10% on 1 July 2021 and eventually to 12% from 1 July 2025.

Acceptance of Contributions

Less than 65	No restrictions apply.
65–less than 75	At time of contributions, must have worked at least 40 hours within 30 consecutive days during the financial year*; or contributions are mandated employer contributions**.
75 and Over	Contributions are mandated employer contributions.
Spouse	Receiving spouse is less than 65 or aged less than 70 and meets the work test discussed above.

*Contributions can then be made for the remainder of the financial year. **Includes SG or contributions required under an agreement or award.

Superannuation Spouse Contributions

- Offset of 18% available on spouse contributions up to \$3,000.
- Maximum offset of \$540 is available when spouse's total income (assessable income + reportable fringe benefits + reportable super contributions) is \$37,000 or less. Rebate cuts out at \$40,000.
- Offset equals the lesser of: [3,000 – (total income – \$37,000)] x 18% OR [total spouse contributions in that year] x 18%.

Taxation of Contributions		
Low Income Earners		
Individuals with income up to \$37,000 p.a. will have the 15% contributions tax refunded into their superannuation accounts up to a maximum of \$500.		
High Income Earners		
From 1 July 2017, individuals who have income and concessional contributions exceeding a combined \$250,000 annual threshold will generally have to pay an additional 15% tax on their concessional contributions.		
The additional 15% tax will not apply to any concessional contributions that are in excess of the concessional contribution cap.		
Superannuation Lump Sums		
Tax Free Component		
Includes non-concessional contributions, Government co-contributions and spouse contributions made after 30 June 2007 and the crystallised amount of the following components at 30 June 2007: pre-July 1983, concessional, post-June 1994 invalidity, undeducted contributions, CGT exempt component.		
Taxable Component		
Age of Member at Time of Payment	Tax Treatment	
	Taxed Element*	Untaxed Element**
60 or over	• Tax-free	• 15% up to untaxed plan cap amount • 45% on balance
Between preservation age and 59	• 0% to low rate cap amount • Up to 15% on balance	• 15% up to low rate cap amount • 30% from low rate cap amount to untaxed plan cap amount • 45% on balance
Under preservation age	• Up to 20%	• 30% to untaxed plan cap amount • 45% on balance
*Rates exclude Medicare levy of 2%. **For 2020/21, CGT cap of \$1,565,000 and low rate cap of \$215,000, indexed annually.		
Preservation Age		
Date of birth	Preservation	
Before 1 July 1960	55 Years	
1 July 1960-30 June 1961	56 Years	
1 July 1961-30 June 1962	57 Years	
1 July 1962-30 June 1963	58 Years	
1 July 1963-30 June 1964	59 Years	
On or after 1 July 1964	60 Years	
Note: From 1 July 2016, the preservation age rises from 55 years.		
Death Benefits		
Paid to dependent**	Tax-free and taxable components are tax free	
Paid to non-dependent	Taxed element* - 15% Untaxed element - 30%	
*Rates exclude Medicare levy of 2%. **Refers to the definition of a dependent for tax purposes as distinct from the SIS definition which determines who can be a super death benefit beneficiary.		

Sources: Superguide.com and ato.gov.au

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