

2021-2022 TAX TUTOR GUIDE



ADVICE. CLARITY. DIRECTION.

That's how we help you and your business.



The Peak Partnership
BUSINESS ADVISERS

PERSONAL TAX

PERSONAL INCOME TAX RATES 2021-2022

Taxable Income	Tax Payable
\$0 - \$18,200	Nil
\$18,201 - \$45,000	19% of excess over \$18,200
\$45,001 - \$120,000	\$5,092 + 32.5% of excess over \$45,000
\$120,001 - \$180,000	\$29,467 + 37% of excess over \$120,000
\$180,001 and over	\$51,667 + 45% of excess over \$180,000

Australian Resident tax rates only and excludes Medicare Levy.

LOW INCOME TAX OFFSET 2021-2022

Taxable Income	Calculation
\$0 - \$37,500	\$700
\$37,501 - \$45,000	\$700 - [(Taxable income - \$37,500) x 5%]
\$45,001 - \$66,667	\$325 - [(Taxable income - \$45,000) x 15%]
\$66,668 and over	NIL

LOW & MIDDLE INCOME TAX OFFSET 2021-2022

Taxable Income	Calculation
\$0 - \$37,000	\$255
\$37,001 - \$48,000	\$255 + 7.5% x (\$48,000 - \$37,000)
\$48,001 - \$90,000	\$1,080
\$90,001 - \$126,000	\$1,080 - 3.0% x (\$126,000 - \$90,000)
\$126,000 and over	NIL

CHILD INCOME TAX RATES (RESIDENT ONLY) 2021-2022

Except for certain personal exertion income (eg. wages), the unearned income of most children under 18 years of age will be taxed at the following rates (ignoring any low income rebates):

\$0 - \$416	Nil
\$417 - \$1,307	66% of excess over \$416
\$1,307 and over	45% of entire amount

Where a child under 18 years earns income from personal effort (eg. part-time work), that income will be subject to normal personal tax rates. For 2020-2021, a trust distribution of up to \$416 may be paid to a beneficiary under 18 years with no tax being payable on the trust distribution provided the child has no other "unearned income".

PERSONAL TAX

MEDICARE LEVY THRESHOLDS 2020-2021

Income Type	Taxable Income	Medicare Levy
Single Taxpayer	\$0 - \$23,226	Nil
	\$23,227 - \$29,032	Nil + 10% excess over \$23,227
	\$29,033 and over	2% of entire taxable income
Family (based on no dependent children)	\$0 - \$39,167	Nil
	\$39,168 - \$48,958	Nil + 10% excess over \$39,168
	\$48,959 and over	2% of entire taxable income

For each additional dependant, add \$3,597 to the lower limit. For more than six dependent children or students, add \$4,496 to the upper limit. Reductions also apply for senior singles and couples under Senior Australians and Pensioners Tax Offset (SAPTO).

MEDICARE LEVY SURCHARGE (MLS) 2021-2022

The MLS is income tested against the following income tier thresholds:

	Unchanged	Tier 1	Tier 2	Tier 3
Single	≤\$90,000	\$90,001-\$105,000	\$105,001-\$140,000	\$140,001+
Family*	≤\$180,000	\$180,001-\$210,000	\$210,001-\$280,000	\$280,001+
Rate	0.00%	1.00%	1.25%	1.50%

*The family income threshold is increased by \$1,500 for every child after the first child.

CAPITAL GAINS TAX CALCULATOR

Concessions/Discounts	
Discount on capital gains for individuals and trusts*	50%
Discount on capital gains for superannuation funds*	33.33%
Net asset threshold for small business concessions	\$6,000,000
Retirement exemption on capital gains lifetime limit	\$500,000
CGT Cap Amount (2021-2022)	\$1,615,000
Indexation frozen from 30/09/1999 at indexation no.	123.4
CGT improvement threshold – 2021-2022	\$136,784
CGT improvement threshold – 2020-2021	\$155,849

*Assets must have been held for at least 12 months – other limitations may apply. Other small business concessions may also apply.

SUPERANNUATION CONTRIBUTIONS TAX RATES 2021-2022

Taxable income less than \$250,000	15%
Taxable income \$250,000 or more*	30%

*The ATO will issue a Division 293 Notice of Assessment with details of how to pay the additional 15% tax after you lodge your tax return.

BUSINESS TAX

COMPANY TAX RATES 2021-2022

	2020-2021	2021-2022
Company Tax Rate (Non-BRE)	30.0%	30.0%
Base Rate Entity (BRE)*	26.0%	25.0%

*Entity must be operating a business with an annual turnover of less than \$50 million and 80% or less of the assessable income is base rate entity passive income.

EMPLOYER SUPERANNUATION OBLIGATIONS

Super Guarantee Contributions	2020-2021	2021-2022
Payable 28 Jan, April, July, Oct	9.50%	10.00%

DIVISION 7A BENCHMARK RATE FOR RELATED PARTY LOANS

Income year ending 30 June

2022	2021	2020	2019
4.52%	4.52%	5.37%	5.20%

BAS & PAYG INFORMATION (QUARTERLY)

Installment Quarter	Payment Date
1 July - 30 September 2021	28 October 2021
1 October - 31 December 2021	28 February 2022
1 January - 31 March 2022	28 April 2022
1 April - 30 June 2022	28 July 2022

Monthly Business Activity Statement (BAS) and Instalment Activity Statement (IAS) payments due 21 days after the end of each month.

MOTOR VEHICLE

CAR COST LIMIT FOR DEPRECIATION

2021-2022	2020-2021	2019-2020
\$60,733	\$59,136	\$57,581

LUXURY CAR TAX LIMITS

	Other Vehicles	Fuel-Efficient
2021-2022	\$69,152	\$79,659
2020-2021	\$68,740	\$77,565

MOTOR VEHICLE DEDUCTIONS 2021-2022

Vehicle Type	Cents per KM
All Cars (limited to a maximum of 5,000km)	72c

SUPERANNUATION

SUPERANNUATION FOR INDIVIDUALS

Maximum contribution base for SG purposes

	2020-2021	2021-2022
Per quarter limit	\$57,090	\$58,920
Equivalent annual limit	\$228,360	\$235,680

Superannuation Co-Contributions - From 1 July 2021

\$0.50 for every \$1 contributed to a maximum amount of \$500

Assessable Income	Lower	\$41,112
	Upper	\$56,112
Withdrawal Rate	.0333 cents in the dollar above the lower threshold	

Superannuation Contributions Caps - From 1 July 2021

Contributions	Cap	Excess Contributions Tax
Concessional Cap*	\$27,500	Marginal Tax Rate
Non-Concessional Cap**	\$110,000	47%

*If your total super balance is less than \$500,000 at 30/06/2021 you will be able to carry forward any unused concessional contribution amounts from 01/07/2021.

**Withdrawn excess non-concessional contributions taxed at the member's marginal income tax rate. Excess non-concessional contributions not withdrawn taxed at the highest marginal tax rate. If your total super balance is equal to or greater than \$1.7 million, you will not be able to make any further non-concessional contributions.

Superannuation Contributions - Spouse Offset

(Tax Offset of 18% of Contribution)

Maximum offset	\$540
Lower threshold	\$37,000
Higher threshold	\$40,000

In order to be eligible, the spouse who has had super contributions made on their behalf must not have exceeded their non-concessional cap for the year or have a super balance exceeding \$1.7 million.

Preservation Age

The Preservation Age on claiming retirement is in the process of increasing from age 55 to 60. This age will increase between the years 2015 and 2025 in accordance with the following scale.

For people born	Age	For people born	Age
Before July 1960	55	July 1962 - June 1963	58
July 1960 - June 1961	56	July 1963 - June 1964	59
July 1961 - June 1962	57	After June 1964	60

SUPER & SENIORS

SUPERANNUATION FOR SENIORS

Minimum Annual Pension Payments - 1 July 2021

Age	Min Pension	Age	Min Pension
Under 65	2.00%	Age 85 - 89	4.50%
Age 65 - 74	2.50%	Age 90 - 94	5.50%
Age 75 - 79	3.00%	Age 95 or older	7.00%
Age 80 - 84	3.50%		

Taxation of Superannuation Benefit Lump Sums - 1 July 2021

	Thresholds	Rate*
Tax-free component		0%
Taxable component - taxed element [^]		
Under Preservation Age		20%
Preservation Age to 59	\$0 - \$225,000	0%
	Over \$225,000	15%
Age 60 and over		0%
Taxable component - untaxed element		
Under Preservation Age	\$0 - \$1,615,000	30%
	> \$1,615,000	45%
Preservation Age to 59	\$0 - \$225,000	15%
	\$225,000 - \$1,615,000	30%
Age 60 and over	> \$1,615,000	45%
	\$0 - \$1,615,000	15%
	> \$1,615,000	45%

*Plus Medicare Levy of 2.0%

[^]If benefit paid has taxable component with both a taxed and untaxed element, the low rate cap applies to the taxed element first.

Taxation of Death Benefit Superannuation Lump Sums - 1 July 2021

	Dependants	Non-Dependants
Tax-Free Component	0%	0%
Taxable Component - taxed element	0%	15%*
Taxable Component - untaxed element	0%	30%*

* Plus Medicare Levy of 2.0%.

A dependant for tax purposes is defined as a) a spouse/de facto spouse; b) a former spouse/de facto spouse; c) a child of the deceased under 18 years of age; d) any person who relied on the deceased for financial maintenance at time of death; e) any person who lived with the deceased in a close personal relationship where one or both provided financial/domestic support and personal care.

WORKERS & STUDENTS

EMPLOYMENT TERMINATION PAYMENTS

Life Benefit Employment Termination Excluded Payments - 1 July 2021

	Thresholds	Max. Tax Rate*
Tax-free component		0%**
Taxable component		
Pre-Preservation Age	Up to \$225,000	30%
	Over \$225,000	45%
Preservation Age or over	Up to \$225,000	15%
	Over \$225,000	45%

Life Benefit Employment Termination Non-Excluded Payments - 1 July 2021

	Thresholds	Max. Tax Rate*
Tax-free component		0%**
Taxable component		
Pre-Preservation Age	Up to \$225,000 [#]	30%
	Over \$225,000 [#]	45%
Preservation Age or over	Up to \$225,000 [#]	15%
	Over \$225,000 [#]	45%

Death Benefit Employment Termination Payments - 1 July 2021

	Thresholds	Max. Tax Rate*
Dependant		
Tax-free component		0%**
Taxable component	Up to \$225,000	0%
Taxable component	Over \$225,000	45%
Non-Dependant		
Tax-free component		0%**
Taxable component	Up to \$225,000	30%
Taxable component	Over \$225,000	45%

OTHER TERMINATION PAYMENTS

Non-ETP Lump Sum Payments - 1 July 2021

	Period of Accrual	Assessable Amount	Max. Tax Rate*
Unused Long Service Leave	Pre-16/8/1978	5%	Marginal rate
	16/8/78 - 17/8/93	100%	32%
	18/8/1993 onwards	100%	Marginal rate
Accrued Annual Leave	Pre-18/8/1993	100%	32%
	18/8/1993 onwards	100%	Marginal rate

*Plus Medicare Levy of 2.0%. ** Not assessable.

[#]The threshold that applies is the smaller of the remaining ETP Cap (\$225,000 less any excluded payments) and the Whole-of-Income Cap (\$180,000 less other taxable income).

WORKERS & STUDENTS

REDUNDANCY & EARLY RETIREMENT PAYMENTS 2021-2022

	Period of Accrual	Assessable Amount	Max. Tax Rate*
Unused Long Service Leave	Pre-16/8/78	5%	Marginal rate
	Post-16/8/78	100%	32%
Accrued Annual Leave	Full Period	100%	32%

*Tax rates Exclude Medicare Levy which needs to be added to the applicable rate (unless rate is 0%). Bona Fide redundancy tax-free amount is \$10,638 + \$5,320 for each completed year of service.

HELP, SSL, ABSTUDY SSL & TSL REPAYMENT THRESHOLDS

Repayment Income 2021-2022*	Repayment Rate	Repayment Income 2021-2022*	Repayment Rate
Below \$47,014	Nil	\$88,519 - \$91,709	6.0%
\$47,015 - \$54,281	1.0%	\$91,710 - \$97,212	6.5%
\$54,282 - \$57,538	2.0%	\$97,213 - \$103,044	7.0%
\$57,539 - \$60,991	2.5%	\$103,045 - \$109,226	7.5%
\$60,992 - \$64,650	3.0%	\$109,227 - \$115,678	8.0%
\$64,651 - \$68,529	3.5%	\$115,679 - \$122,728	8.5%
\$68,530 - \$72,641	4.0%	\$122,729 - \$130,091	9.0%
\$72,642 - \$77,000	4.5%	\$130,092 - \$137,897	9.5%
\$77,001 - \$81,620	5.0%	\$137,898 and over	10.0%
\$81,621 - \$86,518	5.5%		

*Taxable income plus any net investment loss (including net rental losses); total reportable fringe benefits amounts; reportable super contributions and exempt foreign employment income.

07 **3360 9888**

17 Mt Gravatt-Capalaba Road
Upper Mt Gravatt Qld 4122

Learn more at www.peakpartnership.com.au



The information in this brochure contains general advice that has been prepared without considering your objectives, financial situation or needs. It should only be used as a guide and any specific advice relevant to your circumstances should be sought from your accountant at The Peak Partnership on telephone 07 3360 9888.

Peak Partnership Pty Ltd ABN 24 064 723 550.