

## Reduction in the concessional contributions cap

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4 June 2009

***Tax Laws Amendment (2009 Measures No.1) Bill 2009 (the Bill)* was recently passed by Parliament and has received royal assent.**

Schedule 3 to the Bill amends the *Income Tax Assessment Act 1997* (ITAA 1997) and the *Income Tax (Transitional Provisions) Act 1997* to reduce the cap on concessional superannuation contributions.

Schedule 3 also amends the ITAA 1997 to make consequential amendments to the level of the non-concessional contributions cap as per below:

The cap for concessional contributions to superannuation will be \$25,000 per annum for the 2009-10 and later financial years, indexed to AWOTE, and rounded down to the nearest multiple of \$5,000.

The transitional cap that applies to concessional contributions made by individuals aged 50 and over will be \$50,000 per annum, for contributions made in the 2009-10, 2010-11 and 2011-12 financial years.

The annual non-concessional contributions cap will be six times the concessional contributions cap for contributions made in the 2009-10 and future financial years. It will be \$150,000 in 2009-10.

*Source:*

Australian Tax Office, Tax Laws Amendment (2009 Measures No.1) Bill 2009: Reforms to income tests, 25 May 2009.  
<http://www.ato.gov.au/taxprofessionals/content.asp?doc=/content/00180855.htm>.

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