# Changes happening on 1 July 2022

## as a result of the 2021 Budget

These changes were proposed by the government in the last budget and come into effect from 1 July this year. If you'd like to talk with someone about how these changes could affect you please contact us.

| Change | Before 1 July 2022 | From 1 July 2022 onwards |
|---|---|---|
| **You'll no longer need to earn $450 or more in a calendar month to receive Employer Super (SG) contributions from your employer** | A person has to earn at least $450 in a month to be eligible for Employer Super (SG) contributions. | The minimum earnings threshold of $450 per month will no longer apply. This means all employees, regardless of how much they earn, are entitled to receive Employer Super (SG) payments into their super accounts. |
| **The withdrawal limit for the First Home Super Saver Scheme (FHSSS) is increasing** | The maximum you can save and withdraw using your super account under the FHSSS is $30,000. | The maximum you can save and withdraw is increasing from $30,000 to $50,000. |
| **The age you can make Downsizer contributions is reducing** | People aged 65 and over can contribute up to $300,000 to their super following the sale of their home. Couples could be eligible to contribute up to $300,000 each. | You will be able to make downsizer contributions from age 60 instead of age 65. |
| **Changes to the work test for people between age 67 and 74** | People age 67 to 74 can only make extra super contributions (ie not SG contributions) if they meet the Work Test rules.<br>**The work test**<br>To meet the work test you must be employed for at least 40 hours over 30 days. (The 30 days must all be in the same financial year the contributions are made). | You won't need to meet the Work Test when making extra contributions.<br>Instead, you will only need to meet the Work Test (or work-test exemption) if you claim a tax deduction on personal contributions. |
| **The age you can use the Bring-forward contributions rule is increasing** | The Bring-forward contributions rule allows you to contribute up to three years of after-tax contributions ($330,000) in any one year if:<br>• you're age 67 or younger, and<br>• have a total super balance less than $1.48 million. | You will be able to use the Bring-forward contributions rule up to age 74 instead of up to age 67. |
| **The minimum pension drawdown amount won't be changing.** | In 2019, the government temporally reduced the minimum pension drawdown amounts by 50%. This was in response to the economic effect of COVID.<br>The minimum pension drawdown is the minimum amount you must withdraw from your pension account each year. This amount depends on your age and is a % of your total balance. | The government had planned to return the minimum pension drawdown amounts back to pre-COVID levels from 1 July 2022. It has now extended the reduced minimum pension drawdown level for another year. This means the drawdown amounts will stay the same for the 2022 financial year. |


**Contact us** **Phone** 1300 650 305 | **Web** aware.com.au | **Post** GPO Box 1229, Wollongong NSW 2500





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