

## Tax and your super

Super can currently be taxed in three ways:

- > contributions going into a fund can be taxed
- > investment earnings of a fund can be taxed and
- > tax may be payable on the benefits you receive from a fund.

From 1 July 2007, the tax treatment of super changed significantly.

Tax on super is very complex and subject to change from time to time. This section of the PDS is only intended to be general information about the significant tax implications of super. For these reasons, we strongly recommend you seek advice on the tax of your PSSap super from a licensed professional, such as a financial adviser or an accountant.

The PSSap is a complying super fund for the purposes of the *Superannuation Industry (Supervision) Act 1993 (SIS Act)* and Regulations. This means that the investment earnings and benefits paid by the fund are taxed at concessional rates and from 1 July 2007 benefits for people over 60 will not be taxed.

Table 16: Outline of taxes that apply to super

Type of tax	When does it apply?	Rate of tax
1. On your contributions	Personal contributions paid from net income after tax where no tax deduction claimed.	Nil up to non-concessional contributions cap. 46.5% for contribution in excess of non-concessional contributions cap.
	Transfers from other funds (unless transferred amounts are from untaxed sources, such as employer eligible termination payments).	Nil
	Employer contributions and salary sacrifice before tax contributions.	15%* From 1 July 2007, 46.5% for contributions in excess of concessional contributions cap.
	Contributions made to the PSSap for you by your spouse or partner.	Nil*
2. On our investment earnings	Deducted from fund earnings and reflected in daily unit prices.	Up to 15%
3. On your lump sum benefit payments from July 2009	Benefit paid to you.	21.5%. See Table 18 on page 78.
	Benefit paid to your dependants as a result of your death.	Nil
	Benefit paid to a non-dependant as a result of your death.	16.5%

\* A rebate/tax offset up to a maximum of \$540 is available if you make contributions on behalf of your low-income or non-working spouse (including a de facto spouse), provided that your spouse's assessable income and reportable fringe benefits are less than \$13,800 a year.