Introduction
On 13 May 2014, the Abbott Government delivered its first Federal Budget. There are a number of announcements of which you should be aware. The announcements in this summary are proposals unless stated otherwise. These proposals need to successfully pass through Parliament before becoming law and may be subject to change during this process.

Many of the proposed measures may impact you.

Tax
Temporary Budget Repair Levy
1 July 2014 until 30 June 2017
The top marginal tax rate for individual taxpayers will increase by 2% to 47% (or 49% including Medicare levy) for 3 years commencing 1 July 2014. The increased top marginal tax rate will apply to taxable income earned in excess of $180,000 per annum.

Income tax table for resident taxpayers for 2014/15

<table>
<thead>
<tr>
<th>Taxable income</th>
<th>Tax payable</th>
</tr>
</thead>
<tbody>
<tr>
<td>$0 - $18,200</td>
<td>0%</td>
</tr>
<tr>
<td>$18,201 - $37,000</td>
<td>$0 + 19% &gt; $18,200</td>
</tr>
<tr>
<td>$37,001 - $80,000</td>
<td>$3,572 + 32.5% &gt; $37,000</td>
</tr>
<tr>
<td>$80,001 - $180,000</td>
<td>$17,547 + 37% &gt; $80,000</td>
</tr>
<tr>
<td>$180,001 +</td>
<td>$54,547 + 47%* &gt; $180,000</td>
</tr>
</tbody>
</table>

*This is the only change to the income tax tables for resident taxpayers for the 2014/15 year.

Example - Effect of Temporary Budget Repair Levy if you’re earning $300,000 per annum
A person earning $300,000 per annum would pay $2,400 (2% x $120,000) additional tax for the 2014/15 year.

The Government has indicated that a number of other tax rates currently based on calculations that include the top marginal tax rate will also be increased.

Possible implications to consider:
• salary sacrifice may provide greater tax savings for individuals earning in excess of $180,000 per annum.

Fringe Benefits Tax (FBT)
1 April 2015 until 31 March 2017
The FBT rate will increase from 47% to 49% for the 3 FBT years commencing 1 April 2015.

Employees of public benevolent institutions, public and non-profit hospitals and certain other tax-exempt entities will have the cash value of exempt fringe benefits protected by increasing the annual FBT caps. The FBT rebate which applies to rebateable employers (e.g. non-profit child care providers, public education institutions and religious institutions) will be aligned with the FBT rate from 1 April 2015.

Possible implications to consider:
• You may need to review the impact of the new FBT rate for FBT arrangement between 1 April 2015 to 30 March 2017.
Dependent Spouse Tax Offset abolished
1 July 2014

The Government will abolish the Dependent Spouse Tax Offset for all taxpayers from 1 July 2014. Under existing rules in place since 1 July 2012, the Dependent Spouse Tax Offset is available in respect of a dependant spouse born before 1 July 1952.

Taxpayers who maintain a dependant who is unable to work due to invalidity or carer obligations continue to be eligible for the Dependent (Invalid and Carer) Tax Offset. From 1 July 2014, this tax offset will replace the Zone Tax Offset, Overseas Civilians Tax Offset and Overseas Forces Tax Offset. Taxpayers eligible to receive the Zone, Overseas Forces or Overseas Civilians Tax Offset will be eligible for the Dependent (Invalid and Carer) Tax Offset if they maintain a dependant who is genuinely unable to work due to a carer obligation or a disability.

Mature Age Workers
1 July 2014

Mature Age Workers Tax Offset abolished

The Mature Age Worker Tax Offset will be abolished from 1 July 2014. Since 1 July 2012, the Mature Age Worker Tax Offset is only available to taxpayers born before 1 July 1957 in respect of taxable income from working. The definition of income includes wages, salary, reportable fringe benefits, reportable employer super contributions, business income and personal services income.

Restart Programme

The savings from abolishing the Mature Age Worker Tax Offset will be redirected to ‘Restart’ – a program to encourage employers to hire mature age job seekers (including those on the Disability Support Pension) aged 50 years or over. From 1 July 2014, a payment of up to $10,000 will be available to employers who:

- hire a mature age job seeker who was previously unemployed for a minimum of 6 months; and
- the person is employed full-time for at least 6 months.

Eligible employers will be paid in the following instalments:

- $3,000 after 6 months of employment;
- $3,000 after 12 months of employment;
- $2,000 after 18 months of employment; and
- $2,000 after 24 months of employment.

Employers who hire mature age job seekers on a part-time basis will be eligible for a pro-rated subsidy. The hours worked to qualify as a part-time basis is indicated as:

- a minimum of 15 hours per week as per Joe Hockey’s Media Release ‘Boosted wage subsidy for employers hiring Australians aged 50+’
- 12-29 hours per week as per the ‘Budget 2014-15 Overview’.

Further details are needed to clarify the number of minimum hours that constitute working on a part-time basis.

Possible implications to consider:

- Mature age workers will no longer be eligible for the Mature Age Worker Tax Offset from 1 July 2014 (maximum of $500).
- financial incentives for employers may make it easier for mature age job seekers to find work from 1 July 2014.

Company tax cuts
1 July 2015

The Government remains committed to cutting the company tax rate by 1.5% from 1 July 2015. For large companies, the reduction will offset the cost of the Government’s Paid Parental Leave levy.

Possible implications to consider:

- small and medium companies will have a tax reduction of 1.5% to 28.5%.
- this creates a greater differential between the company tax for small and medium companies and personal marginal tax rates.
- this measure may have an impact on the calculation of franking credits.

Repeal the mining and carbon tax

The minerals resource rent tax (MRRT) and the carbon tax will be repealed. The Government estimates that the abolition of the carbon tax will save households, on average, $550 next year alone.

The Energy Supplement and the associated tax cuts will be maintained.

Indexation of the fuel excise
1 August 2014

The Government is reintroducing indexation of the fuel excise from 1 August 2014.
Paused indexation of thresholds for Medicare Levy Surcharge, Private Health Insurance Rebate and some Medicare Benefits Schedule fees
1 July 2014

Indexation of some Medicare Benefits Schedule (MBS) fees will be paused for 2 years from 1 July 2014. General practice MBS fees will be excluded and pathology and diagnostic imaging services which are not currently indexed, will not be affected.

1 July 2015

The indexation of the Medicare Levy Surcharge and Private Health Insurance Rebate thresholds will be paused for 3 years from 1 July 2015.

Medicare benefits patient contribution
1 July 2015

From 1 July 2015, patients may be required to contribute $7 per service, for:

- standard general practitioner consultations;
- out-of-hospital pathology; and
- diagnostic imaging services.

The Government will reduce the Medicare Benefits Schedule (MBS) rebates by $5 for these services and allow providers to collect a patient contribution of $7 per service.

The reduced MBS rebate will only apply to the first 10 services in a year provided to Concession cardholders and children under 16 years of age. This effectively means these patients will not have to pay a $7 patient contribution, after the first 10 services in a year.

Current bulk billing incentives for providers of these services will be replaced by a new Low Gap incentive. The new incentive will be paid to providers, in respect of patients with concession cards or children under 16 years of age, where the provider only charges $7 for the first 10 services in a year, or charge no patient contribution for additional services in that year.

Possible implications to consider:
- Individuals may be required to pay $7 for each visit to a general practitioner.
- Concession cardholders and children under 16 years of age may be required to pay $7 per visit for the first 10 visits in the year.

Medicare Safety Net
1 January 2016

A new Medicare Safety Net will replace the existing Original Medicare Safety Net, Extended Medicare Safety Net and Greatest Permissible Gap. The new Medicare Safety Net thresholds will be:

<table>
<thead>
<tr>
<th>Situation</th>
<th>New Medicare Safety Net thresholds from 1 January 2016</th>
</tr>
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<tbody>
<tr>
<td>Concessional singles &amp; Concessional families</td>
<td>$400</td>
</tr>
<tr>
<td>Non-Concessional singles &amp; non-Concessional FTB (Part A) families</td>
<td>$700</td>
</tr>
<tr>
<td>Non-Concessional families who do not receive FTB (Part A)</td>
<td>$1,000</td>
</tr>
</tbody>
</table>

Possible implications to consider:
- You may have to pay more for medicines through the PBS.
- You may pay more of the cost of PBS medicines before the safety net thresholds are reached, at which point the medicines may be less expensive or free, for the rest of the calendar year.

Pharmaceutical Benefits Scheme (PBS) – increase in co-payments and safety net thresholds
1 January 2015

PBS co-payments will increase by:

- $5 from $37.70 to $42.70 for general patients
- $0.80 from $6.10 to $6.90 for Concessional patients.

PBS safety net thresholds will increase each year for 4 years from 1 January 2015 as follows:

- general safety net thresholds will increase by 10% each year; and
- Concessional safety nets will increase by the cost of 2 prescriptions each year (from 60 prescriptions to 62 from 1 January 2015 and to 68 from 1 January 2018).

These increases are in addition to the existing annual indexation of co-payments and safety net thresholds, in line with Consumer Price Index (CPI).

Possible implications to consider:
- You may have to pay more for medicines through the PBS.
- You may pay more of the cost of PBS medicines before the safety net thresholds are reached, at which point the medicines may be less expensive or free, for the rest of the calendar year.

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</tr>
<tr>
<td>Non-Concessional families who do not receive FTB (Part A)</td>
<td>$1,000</td>
</tr>
</tbody>
</table>

The Medicare Safety Net provides financial assistance towards out-of-pocket costs for Medicare eligible out-of-hospital services. Once the thresholds are reached in a calendar year, Medicare will pay 80% of any subsequent out-of-pocket costs, capped at 150% of the Medicare Benefits Schedule (MBS) fee.
The out-of-pocket costs that accumulate to reaching those safety net thresholds will also be capped at 150% of the MBS fee.

Possible implications to consider:
- You may pay more out-of-pocket costs for Medicare eligible out-of-hospital services.

Increase in Medicare Levy low-income thresholds for families

The Medicare levy low-income threshold for families will be increased to $34,367 and the additional amount of threshold for each dependent child of student will be increased to $3,156, from the 2013/14 year. The increased thresholds take into account movements in CPI so that low income families who were not liable to pay Medicare levy in 2012/13 will continue to be exempt unless their incomes have increased by more than CPI.

Medicare Levy low-income thresholds for individuals and pensioners will not be further increased as they have already been increased by more than the growth in CPI.

Superannuation

Change to increases of Superannuation Guarantee (SG)
1 July 2014

The Government has proposed changes to the schedule for increasing the SG rate to 12%. From 1 July 2014 the SG rate will increase to 9.5% and remain at this level until 30 June 2018. The rate will then increase by 0.5% each year until it reaches 12% in 2022/23.

These proposals will see the SG rate reach 12% three years later than currently legislated.

Current and proposed rates are shown in the table below:

<table>
<thead>
<tr>
<th>Year</th>
<th>Proposed rate (%)</th>
<th>Current rate (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014/15</td>
<td>9.5</td>
<td>9.5</td>
</tr>
<tr>
<td>2015/16</td>
<td>9.5</td>
<td>10</td>
</tr>
<tr>
<td>2016/17</td>
<td>9.5</td>
<td>10.5</td>
</tr>
<tr>
<td>2017/18</td>
<td>9.5</td>
<td>11</td>
</tr>
<tr>
<td>2018/19</td>
<td>10</td>
<td>11.5</td>
</tr>
<tr>
<td>2019/20</td>
<td>10.5</td>
<td>12</td>
</tr>
<tr>
<td>2020/21</td>
<td>11</td>
<td>12</td>
</tr>
<tr>
<td>2021/22</td>
<td>11.5</td>
<td>12</td>
</tr>
<tr>
<td>2022/23</td>
<td>12</td>
<td>12</td>
</tr>
</tbody>
</table>

Possible implications to consider:
- Superannuation Guarantee contributions from 1 July 2014 will rise to 9.5% as per current legislation.
- You may need to review your retirement plan to factor in the changing rates of Super Guarantee contributions.

Excess non-concessional contributions tax
1 July 2013

For any non-concessional superannuation contributions made after 1 July 2013 that breach the non-concessional contributions cap, you will be able to withdraw the excess contributions and any associated earnings.

If this option is chosen, excess contributions tax will not be payable and any associated earnings will be taxed at your marginal tax rate.

If you choose to leave the excess contributions in the fund, the contributions will be taxed at the top marginal tax rate.

Possible implications to consider:
- If you’ve breached the non-concessional contribution caps, the excess contributions may no longer be taxed at the maximum tax rate.

New Military Super Scheme arrangements
1 July 2014

From 1 July 2014, Defence Forces Retirement Benefits (DFRB) and Defence Force Retirement and Death Benefits (DFRDB) members aged 55 and over will have their superannuation benefits indexed by the greater of the CPI and the Pensioner and Beneficiary Living Cost Index, with reference to a benchmark level of Male Total Average Weekly Earnings.

DFRB and DFRDB members will also be exempt from any Division 293 tax liability that may arise from the one-off increase in the capitalised value of the benefit resulting from the changes to indexation.

1 July 2016

From 1 July 2016 membership of the Military Superannuation and Benefits Scheme (MSBS) will be closed to new members. Individuals joining the Australian Defence Force (ADF) after this date will become members of the newly established, fully funded, accumulation superannuation scheme - ADF Super. The Government will make a 15.4% contribution to ADF Super, increasing to 18% during periods of war-like service. Death and disability insurance for ADF Super will be the same as what exists under the MSBS.
There will be no change to the superannuation arrangements of existing MSBS members, but they will have the option to transfer to the new ADF Super scheme or remain in MSBS.

**Increased preservation age**

In response to the recommendation in the National Commission of Audit report for a phased increase to the superannuation preservation age, the Government has stated that this measure will be considered by the Financial Systems Inquiry and the Tax White Paper process.

**Social security**

**Increase Age Pension qualifying age to 70 years**

1 July 2025

The Age Pension qualifying age will continue to rise by six months every two years from the qualifying age of 67 (from 1 July 2023) gradually reaching a qualifying age of 70 years by 1 July 2035. The table below summarises eligibility:

<table>
<thead>
<tr>
<th>Date of birth</th>
<th>Age</th>
<th>Earliest date of eligibility</th>
</tr>
</thead>
<tbody>
<tr>
<td>before 1/1/1949</td>
<td>65</td>
<td>Already eligible</td>
</tr>
<tr>
<td>1/1/1949 - 30/6/1952</td>
<td>65</td>
<td>1 Jan 2014</td>
</tr>
<tr>
<td>1/7/1952 - 31/12/1955</td>
<td>65.5</td>
<td>1 July 2017</td>
</tr>
<tr>
<td>1/1/1954 - 30/6/1955</td>
<td>66</td>
<td>1 July 2019</td>
</tr>
<tr>
<td>1/7/1955 - 31/12/1956</td>
<td>66.5</td>
<td>1 July 2021</td>
</tr>
<tr>
<td>1/1/1957 - 30/6/1958</td>
<td>67</td>
<td>1 July 2023</td>
</tr>
<tr>
<td>1/7/1958 - 31/12/1959</td>
<td>67.5</td>
<td>1 July 2025</td>
</tr>
<tr>
<td>1/1/1960 - 30/6/1961</td>
<td>68</td>
<td>1 July 2027</td>
</tr>
<tr>
<td>1/7/1961 - 31/12/1962</td>
<td>68.5</td>
<td>1 July 2029</td>
</tr>
<tr>
<td>1/1/1963 - 30/6/1964</td>
<td>69</td>
<td>1 July 2031</td>
</tr>
<tr>
<td>1/7/1964 - 31/12/1965</td>
<td>69.5</td>
<td>1 July 2033</td>
</tr>
<tr>
<td>From 1 Jan 1966</td>
<td>70</td>
<td>1 July 2035</td>
</tr>
</tbody>
</table>

Possible implications to consider:
- those born before 1 July 1958 will not be affected by this measure.
- Department of Veterans’ Affairs Service Pension age is not impacted.

**Indexation of Payments**

1 September 2017

The indexation of Pension payments and Bereavement Allowance will be based upon the CPI.

Currently these payments are indexed in line with the higher of, increases in the CPI, Male Total Average Weekly Earnings or the Pensioner and Beneficiary Living Cost Index.

Effective from 1 July 2014, indexation for Parenting Payment recipients will be based upon the CPI.

Possible implications to consider:
- this new measure could result in a lower amount of indexation for pension payments in the future.

**Maintain eligibility thresholds for**

Australian Government payments for 3 years

1 July 2014

Eligibility thresholds for non-pension payments will be maintained for three years. These include, but are not limited to, payments such as Family Tax Benefit, Child Care Benefit, Child Care Rebate, Newstart Allowance, Parenting Payments and Youth Allowance.

1 July 2017

Eligibility thresholds for pension and pension related payments will be maintained for three years. These include, but are not limited to, payments such as the Age Pension, Carer Payment, Disability Support Pension and the Veterans’ Service Pension.

**Reducing the deeming threshold**

1 September 2017

Deeming thresholds used in the pension assets test will be reduced to $30,000 for singles and $50,000 for couples.

The current singles threshold is $46,600 and the couples (pensioner) threshold is $77,400.

Possible implications to consider:
- this new measure could result in a higher amount of Centrelink assessable income, which could reduce the amount of Centrelink payments.
- the announcement refers to ‘pension assets test’. Clarification is needed to determine if this measure will apply to all assets test assessments, or if is restricted to the assets test for pensioners.
Increase age of eligibility for Newstart Allowance and Sickness Allowance
1 January 2015

The age of eligibility for Newstart Allowance and Sickness Allowance will increase from 22 to 24 years.

Current recipients of Newstart Allowance and Sickness Allowance, aged 22 to 24 years of age on 31 December 2014 may remain on those allowances.

Work for the Dole Programme
1 July 2014 to 30 June 2015

From 1 July 2014 to 30 June 2015, Work for the Dole will be mandatory in certain priority employment areas for all job seekers aged between 18 and 30 years old who are in the Work Experience Phase or the Compulsory Activity Phase of Job Services Australia (JSA), unless they are working part-time.

Work for the Dole will include work for not-for-profit and local, state or Commonwealth Government agencies.

1 January 2015

All new claimants of Newstart Allowance and Youth Allowance (Other) who are under age 30 (with full work capacity) must demonstrate appropriate job search and participation in employment services support for six months before receiving payments.

Prior workforce participation may reduce the waiting period. After six months, claimants will be required to participate in 25 hours per week on Work for the Dole to receive income support, and following this may continue to access employment services for a further six month period, including access to a wage subsidy in lieu of income support.

From 1 July 2015, existing recipients of Newstart Allowance and Youth Allowance (Other) who are under 30 years of age will also become subject to these new arrangements. These people will have already served six months on Work for the Dole.

Payment recipients who have, a partial capacity to work, are the principal carer of a child, are part-time apprentices, are in education, or are job seekers in Disability Employment Services or Job Services Australia Streams 3 and 4, will be exempt.

One week ordinary waiting period to all Working Age Payments
1 October 2014

Currently all claimants of Newstart Allowance and Sickness Allowance are required to wait one week before receiving a payment.

This measure will extend the ordinary waiting period to claimants of Parenting Payment, Widow Allowance and Youth Allowance.

This measure will also remove the current rule that enables the ordinary waiting period to be served concurrently with other applicable periods.

Clean Energy Supplement indexation cessation
1 July 2014

The indexation of the Clean Energy Supplement will cease. This will fix the payment rate at the relevant rate payable prior to 1 July 2014.

Commonwealth Seniors Health Card changes
September 2014

The qualifying income limits for the Commonwealth Seniors Health Card (CSHC) will be indexed from September 2014. The rate of indexation will be based upon the CPI.

20 September 2014

CSHC holders will not receive the Seniors Supplement from 20 September 2014.

Currently the seniors supplement is:

Single / Illness separated couple $ 876.20
Eligible couple (combined) $1,320.80

CSHC holders will continue to receive the Clean Energy Supplement and access to the PBS (and the lower threshold for the extended Medicare Threshold).

1 January 2015

Tax free superannuation income will be included in the definition of income for the CSHC from 1 January 2015.

The assessment of superannuation income will be the same for CSHC holders as for Age Pension recipients and will align with the measure to deem the balances of account based pension from 1 January 2015.

Possible implications to consider:

- Higher criteria applies to individuals under age 30 wishing to receive unemployment benefits.
Existing superannuation account based income streams held by CSHC holders before the implementation date will be grandfathered under the existing rules.

**Possible implications to consider:**
- those eligible for the CSHC who have an account based pension in place before 1 January 2015 will continue to have the income exempt from assessment.
- prior to 1 January 2015, those eligible for CSHC should consider reviewing their superannuation or seek professional advice.

### Disability Support Pension - Compulsory participation requirements

Disability Support Pensioners, who are under 35 years of age with an assessed work capacity of eight hours or more and who have a participation plan, will be subject to compulsory activities. These activities will vary depending on a person’s circumstances and will focus on obtaining employment.

Disability Support Pensioners with a severe impairment and an assessed work capacity of less than eight hours will be exempt.

### Disability Support Pension - Reduced Portability

1 January 2015

Disability Support Pensioners can leave Australia and continue to receive the Disability Support Pension. However, pensioners will receive the payment for a maximum of four weeks in a 12 month period should they travel overseas.

Currently the Disability Support Pension can be paid for absences from Australia for up to 6 weeks on multiple occasions in any one year.

### Family Tax Benefit (FTB) Part B changes

1 July 2014

- FTB payment rates will be frozen for two years. Under this measure the indexation of the maximum and base rates of FTB Part A and FTB Part B will be paused until 1 July 2016.

1 July 2015

- FTB Part B primary earner income limit will be reduced from $150,000 to $100,000.
- FTB Part B will be limited to families whose youngest child is younger than six years of age.

- A transitional arrangement applies, where families with a youngest child aged 6 and over on 30 June 2015 will remain eligible for FTB Part B for two years.

- FTB Part A large family supplement (currently $313.90 per child per annum) will be limited to families with four or more children. The large family supplement will be paid in respect of the fourth and each subsequent child in a family.

- FTB allowance is introduced for single parents on the maximum rate of FTB Part A whose youngest child is aged between 6 and 12 from the point when they become ineligible for FTB Part B. The allowance will provide $750 for each child aged between 6 and 12 years old in an eligible family.

### No trial means test exemption for downsizing the family home

A trial of means test exemption for Age Pensioners who are downsizing their family home will not proceed.

### Job Services Australia - restricting participation for Volunteer Job Seekers

Volunteer job seekers are not subject to an activity test or participation requirements. Currently these job seekers can access JSA as often as they choose. The number of times that volunteer job seekers can access JSA will be limited to one occasion. Job seekers may subsequently access JSA if they commence income support, move to a different income support payment, or were prevented from continuing their participation due to circumstances beyond their control, such as illness or caring responsibilities.

**Possible implications to consider:**
- job seekers will have reduced access to JSA.
Job seekers who refuse or persistently fail to meet requirements 15 September 2014

From 15 September 2014, all job seekers who refuse any work without a good reason will lose their payment for eight weeks and will no longer be permitted to waive their penalty through participation in additional activities or due to financial hardship. Those who incur penalties for persistent non-compliance will also lose their payment for eight weeks.

Job seekers will only be given one opportunity to waive the penalty for persistent non-compliance while in receipt of an income support payment.

Possible implications to consider:
• non-compliance and refusal of any work without a good reason will be penalised.

Paid Parental Leave 1 July 2015

The Government will introduce a new Paid Parental Leave scheme with an income cap of $100,000 per annum, which will include superannuation (replaces the existing means test).

Currently the Government Paid Parental Leave Scheme provides an amount equivalent to the minimum wage ($622.10 per week) for a maximum of 18 weeks.

The Government previously indicated that they will expand the scheme to provide 26 weeks of pay at the primary carer’s replacement wage including superannuation.

Possible implications to consider:
• payments post 1 July 2015 under the Paid Parental Leave system could be significantly higher.

Education changes

Higher education providers able to set own tuition fees 1 January 2016

From 1 January 2016 higher education providers in Australia will be able to set their own tuition fees for the courses that they offer. This could increase or decrease the fees for some courses as these institutions compete for local and overseas students.

Changes to higher education and the Higher Education Loan Programme (HELP) system Minimum income repayment threshold reduced 1 July 2016

A new lower minimum income repayment threshold will be used to determine when students must repay HELP debts. This new threshold will be set at 90% of what would otherwise have been the indexed minimum threshold, thereby creating a new income repayment band. A new 2% repayment rate will apply to those whose income falls within this band. For those with higher incomes, the existing repayment rates ranging from 4% to 8% will continue to apply.

To illustrate, assume an individual has a $100,000 accrued HELP debt and a $53,000 income in 2016/17. We anticipate the $53,000 income will be within the new income repayment band and as such a $1,060 HELP compulsory repayment (or $53,000 income x 2% HELP repayment rate) will apply. No compulsory HELP repayment would have existed on this income under the current rules.

Note, income for this purpose is taxable income plus any total net investment loss, total reportable fringe benefits amounts, reportable super contributions and exempt foreign employment income.

Possible implications to consider:
• You may fall within the new income repayment band resulting in a compulsory HELP repayment.

Interest costs 1 June 2016

The annual indexation applied to HELP debts will be adjusted from CPI to a rate equivalent to the yield on 10-year bonds issued by the Australian Government, or 6%, whichever is the lessor. This change is intended to ensure the annual indexation rate is reflective of the Government’s cost of borrowing.

Loan fees 1 July 2015

The 25% loan fee applied to FEE-HELP loans for fee-paying undergraduate courses, and the 20% loan fee applied to Vocational Education & Training (VET) FEE-HELP loans for eligible full fee-paying students in higher level vocational education and training courses, will be removed from 2015/16.
Other changes

First Home Savers Account scheme abolished
13 May 2014
The First Home Saver Accounts (FHSA) scheme will be abolished from 1 July 2015 due to low take-up rates.
New accounts opened after 13 May 2014 will not be eligible for concessions and the Government co-contribution will cease from 1 July 2014. Tax and social security concessions associated with these accounts will cease from 1 July 2015.

Australian Defence Force Gap Year Programme - re-establishment
January 2015
The Government will re-establish the Australian Defence Force Gap Year Programme which will give school leavers (aged 17 to 24 who have completed year 12) the opportunity to experience the Australian Defence Force for one year. The first intake will occur in January 2015.

Fair Entitlements Guarantee (FEG)
1 July 2014
The FEG covers certain unpaid employee entitlements in the event of insolvency or bankruptcy.
From 1 July 2014, indexation of the Maximum Weekly Wage used in calculating entitlements for claimants earning above the Maximum Weekly Wage of $2,451, will be paused until 30 June 2018.

1 January 2015
From 1 January 2015, the maximum payment for redundancy pay will be reduced to 16 weeks (currently 4 weeks per year of service).
Employees seeking to claim an entitlement above the maximum will maintain rights as creditors to recoup any outstanding entitlement through the winding up of their employer’s business.
The changes will apply only to liquidations and bankruptcies that occur on or after the commencement date.

Financial assistance for apprentices
1 July 2014
Tools for your Trade payments will cease and be replaced with a Trade Support Loans Programme, effective 1 July 2014. The Loans Programme provides up to $20,000 in financial assistance to apprentices over a four year apprenticeship.
Trade Support Loans will be provided at concessional interest rates and capped at $8,000 in year one, $6,000 in year two, $4,000 in year three and $2,000 in year four of the apprenticeship. They will be available to apprentices undertaking a Certificate III or IV qualification that leads to an occupation on the National Skills Needs List.
Apprentices will be required to commence repaying the loans when their income exceeds a minimum income repayment threshold that is consistent with those applying to university students under HELP ($53,345 in 2014/15).
Apprentices who successfully complete their training will receive a 20% discount on the amount to be repaid.

Implications for your clients
• employees engaged in trade services may be impacted by these measures.

JETCCFA provides extra help with the cost of approved child care to eligible parents to help them re-enter the workforce.
An $8.00 per hour cap on JETCCFA funding per child, and a weekly 36 hours cap per child on the number of child care hours, that can be claimed through JETCCFA by parents undertaking study, will be introduced.

Possible implications to consider:
• Parents engaged in JETCCFA may have reduced assistance with the cost of approved care.
Need more information?

Speak with your financial adviser

Alternatively, you can reach us by:

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Call us on 1800 627 625 for Corporate Super

Call us on 133 665 for Integra Super, OneAnswer Personal Super

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In addition, the information is of a general nature and may not be relevant to your individual circumstances. Before making any investment decision you must consider the relevant PDS. PDSs are available on request by calling OnePath or by visiting the OnePath website.