

# ONEANSWER FRONTIER PDS UPDATE – FEDERAL BUDGET CHANGES

PDS Update | 10 June 2022

This Product Disclosure Statement (PDS) Update amends the OneAnswer Frontier Personal Super and Pension Additional Information Guide (AIG) dated 20 September 2021. The AIG forms part of the OneAnswer Frontier Personal Super and Pension PDS dated 20 September 2021.

## WHY IS THE AIG BEING AMENDED?

The AIG is being amended because some Federal Budget measures are becoming law effective from 1 July 2022, click [here](#) as well as [here](#) to read more. The AIG is available online from the 'Forms & Brochures' section at [onepathsuperinvest.com.au](http://onepathsuperinvest.com.au).

## UPDATED INFORMATION

Note, the main changes to the AIG ('updated information') are in bold **blue** text.

### Work test changes

1. From 1 July 2022, replace the fourth paragraph in the 'Making a withdrawal from OneAnswer Frontier Personal Super' on page 11 of the AIG with the following:

**If you have claimed or are intending to claim a tax deduction on contributions you should also read the section 'Can I claim a tax deduction for contributions' on page 27 prior to making a withdrawal.**

2. From 1 July 2022, replace the table and footnotes below it in the 'Who can make contributions into your super account?' section on page 21 of the AIG with the following:

### Who can make contributions into your super account?

The following table outlines the rules relating to who can make super contributions.

Your age	Who can contribute
<b>Under 60</b>	You, your spouse, your employer and a third party.
<b>60 to under 75<sup>†</sup></b>	You (including downsizer contributions), your spouse, your employer and a third party.
<b>75 and over<sup>†</sup></b>	You may make downsizer contributions and your employer may make 'mandated employer contributions' <sup>#</sup>

<sup>†</sup> Personal and employer contributions may be accepted if they are made on or before the 28th day after the end of the month in which you turn 75.

<sup>#</sup> 'Mandated employer contributions' are contributions:  
• that reduce an employer's potential liability for the SG charge

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- that are a payment of a shortfall component, or
- in or towards satisfaction of the employer's obligation under an agreement certified, or award made, on or after 1 July 1986 by an industrial authority.

3. From 1 July 2022, replace the first paragraph in the 'Can I Claim a Tax Deduction for Contributions' section on page 27 of the AIG with the following:

Generally, individuals may be able to claim an income tax deduction for personal superannuation contributions (not available for COVID-19 re-contributions). **However, if you are 67 or older at the time of making the contribution you will need to satisfy the 'work test' or the 'work test exemption' in order for the ATO to recognise your deduction. The work test requires you to have been employed or self-employed for at least 40 hours in a consecutive 30 day period during the financial year the contribution is made. The work test exemption applies if all of the following are satisfied:**

- **you have not met the 'work test' for that financial year**
- **you have met the 'work test' for the previous financial year**
- **you had a total superannuation balance below \$300,000 on 30 June of the previous financial year, and**
- **you have not already relied on the 'work test exemption' for a previous financial year.**

4. From 1 July 2022, add a fourth paragraph after the final paragraph in the 'Can I claim a tax deduction for contributions' section on page 27 of the AIG as follows:

**If you are 67 or older you should also note that if you submit a notice of intent and have started a pension, made a rollover or made a withdrawal and do not meet the work test or work test exemption, you may not be able to vary your notice and the law may prevent us from reclassifying your contribution and refunding the tax deducted.**

## Extension of the non-concessional contributions bring-forward rule to members aged 67 – 74

From 1 July 2022, replace the fifth paragraph in the 'Non-concessional contributions' section on page 24 of the AIG with the following:

If you are under age **75** at any time during the financial year, you may be able to make non-concessional contributions of up to three times the annual non-concessional contributions cap using the 'bring-forward' option. This effectively creates a three (or two) year block period where total non-concessional contributions cannot exceed three (or two) times the first financial year's non-concessional contributions cap.

## Eligibility age for making a downsizer contribution is reduced from 65 to 60 years of age

From 1 July 2022, replace the first paragraph in the 'Downsizer contributions to super' section on page 22 of the AIG with the following:

Individuals aged **60** and over who meet eligibility requirements will be able to make contributions of up to \$300,000 to their super fund from the proceeds of selling their home. Both members of a couple will be able to take advantage of this measure for the same home enabling up to \$600,000 to be contributed to super.

## First Home Super Saver Scheme (FHSSS) – amount released is increased

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From 1 July 2022, replace the third paragraph in the 'First Home Super Saver Scheme' section on page 22 of the AIG with the following:

The maximum amount of voluntary contributions that may be made under the scheme is \$15,000 per financial year **up to \$50,000** in total. Eligible FHSSS contributions must be within the concessional or non-concessional contributions caps.

## Continuation of the minimum pension drawdown into 2022/23

1. From 1 July 2022, replace the table and footnote in the 'Minimum annual pension payments' section on page 25 of the AIG with the following:

Your age at 1 July	Minimum payment percentages* (p.a.)
Under 65	2.0%
65 to 74	2.5%
75 to 79	3.0%
80 to 84	3.5%
85 to 89	4.5%
90 to 94	5.5%
95 or older	7.0%

**\* Based on government legislation, these are reduced percentages applying for the 2022/23 financial year. From 1 July 2023, these percentages are expected to revert back to the standard rates which are double the amount of these percentages.**

2. From 1 July 2022, replace the fourth paragraph in the 'Example: Minimum payment' section on page 26 of the AIG with the following:

**Note:** This example is illustrative only and should not be regarded as a forecast for your future pension payment. It is also based on reduced minimum percentages applying to the **2022/23** financial year.

## Other changes – super rates and thresholds for 2022/23

For key superannuation rates and thresholds for 2022/23 which will apply in all of the above-mentioned AIGs and the PDSs their incorporated material forms part of, you should refer to the Australian Taxation Office website at [ato.gov.au/Rates/Key-superannuation-rates-and-thresholds/](https://ato.gov.au/Rates/Key-superannuation-rates-and-thresholds/)

## ANY QUESTIONS?

Please:

- speak with your financial adviser, or
- email [client@onepathsuperinvest.com.au](mailto:client@onepathsuperinvest.com.au) or call Customer Services on **133 665**, weekdays between 8.30am and 6.30pm (AEST).

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