

Progress of Legislation as at 12 July 2005

What's Law?

Title of Bill	Purpose	Introduced in the House of Reps	Passed in the House of Reps	Introduced in the Senate	Passed in the Senate	Royal Assent	Act Number
Family and Community Services and Veterans' Affairs Legislation Amendment (2004 Election Commitments and Other Measures) Bill 2004	The purpose of this Bill is to: <ul style="list-style-type: none"> increase the rate of family tax benefit part B (by introducing a new FTB Part B supplement; and exempt aged care accommodation bonds from social security and veterans' affairs means test. 	17/02/05	08/03/05	09/03/05	09/03/05	21/03/05	29
Family and Community Services and Veterans' Affairs Legislation Amendment (Income Streams) Bill 2004	The purpose of this Bill is to: <ul style="list-style-type: none"> provide a 50% assets test exemption for a new product, 'market-linked income streams' from 20 September 2004; change the assets test exemption from 100% to 50% for certain non-commutable income streams purchased from 20 September 2004; and align the characteristics of life expectancy income streams with those of the new market-linked income stream product and a variation to the guarantee period for asset-test exempt lifetime income streams. 	26/05/04	26/05/04	15/06/04	24/06/04	13/07a/04	116
Family Assistance Legislation Amendment (More	The purpose of this Bill is to provide: <ul style="list-style-type: none"> an ongoing increase in the maximum and base rates of family tax benefit Part A of \$600 annually for each FTB child; a reduction in the rate at which family tax benefit 	11/05/04	12/05/04	13/05/04	13/05/04	26/05/04	59

<p>Help for Families – Increased Payments) Bill 2004</p>	<p>Part A reduces from the maximum rate to the base rate, from 30 cents in the dollar to 20 cents in the dollar;</p> <ul style="list-style-type: none"> • a new maternity payment of \$3000, which will be payable as a lump sum to all mothers, regardless of income, from 1 July 2004. The maternity payment will increase to \$4000 in July 2006 and \$5000 in July 2008. The new maternity payment will replace the current (means tested) maternity allowance and the Baby Bonus. As the new maternity payment will be universal, the maternity immunisation allowance is also to be free of the means test and will be payable for all children who meet current immunisation requirements; • a reduction in the rate at which family tax benefit Part B is withdrawn, from 30 cents in the dollar to 20 cents in the dollar; and • an increase in the amount of income a secondary earner in a partnered relationship can earn before entitlement to family tax benefit Part B is affected, from \$1825 to \$4000 annually. 						
<p>Family Law Amendment (Annuities) Bill 2004</p>	<p>The purpose of this Bill is to allow certain annuity products to be split on marriage breakdown.</p>	<p>30/11/04</p>	<p>9/12/04</p>	<p>17/11/04</p>	<p>30/11/04</p>	<p>15/12/04</p>	<p>153</p>
<p>Superannuation Bill 2005</p>	<p>This Bill provides for:</p> <ul style="list-style-type: none"> • the establishment of the Public Sector Superannuation Accumulation Plan (PSSAP) as a scheme separate from the Public Sector Superannuation Scheme (PSS) as established under the <i>Superannuation Act 1990</i>; • new employees to be able to have choice of funds consistent with arrangements for most private sector employees; • the PSSAP to be the employer (default) fund for persons employed under the <i>Public Service Act 1999</i> and other persons prescribed by the Minister; 	<p>12/05/05</p>	<p>30/05/05</p>	<p>14/06/05</p>	<p>23/06/05</p>	<p>29/06/05</p>	<p>80</p>

	<p>and</p> <ul style="list-style-type: none"> • PSSAP membership arrangements that are consistent with the arrangements in place before the commencement of the Bill. 						
Superannuation Budget Measures Bill 2004	<p>The purpose of this Bill is to:</p> <ul style="list-style-type: none"> • increase the level of Government matching of personal superannuation contributions to 150%; • increase the maximum amount of Government contribution available to \$1,500; • increase the income level up to which the maximum co-contribution applies to \$28,000; • reduce the rate by which the maximum co-contribution phases out to 5 cents for each additional dollar of income. Consequently, the co-contribution will phase out completely at \$58,000; and • reduce the maximum surcharge rates from their current levels to 12.5% for 2004-2005, 10.0% for 2005-2006, and 7.5% for 2006-2007 and subsequent years. 	13/05/04	26/05/04	15/06/04	24/06/04	30/06/04	106
Superannuation (Consequential Amendments) Bill 2005	<p>This Bill amends a number of Acts as a consequence of changes to the Government's superannuation arrangements and in particular as a direct or indirect consequence of the <i>Superannuation Bill 2005</i></p>	12/05/05	30/05/05	14/06/05	23/06/05	29/06/05	81
Superannuation Laws Amendment (2004 Measures No 1) Bill 2004	<p>The purpose of this Bill is to:</p> <ul style="list-style-type: none"> • extend the Government co-contribution for low income earners to some employees who currently do not qualify; • remove the taxation deduction available for personal superannuation contributions made by individuals who under this bill will now qualify for a Government co-contribution; and • make various changes to administrative provisions. 	27/05/04	02/06/04	15/06/04	23/06/04	29/06/04	92
Superannuation Laws Amendment (2004	<p>The purpose of this Bill is to:</p> <ul style="list-style-type: none"> • remove the requirement for superannuation funds to obtain an actuary's certificate in order to qualify for exemption from tax on income derived by assets 	27/05/04	02/06/04	15/06/04	23/06/04	29/06/04	93

Measures No 2) Bill 2004	<p>supporting certain pension liabilities or an exemption of a proportion of income attributable to certain pension liabilities;</p> <ul style="list-style-type: none"> • provide an additional condition that needs to be satisfied by taxpayers below the age of 18 in order to claim a taxation deduction for personal superannuation contributions ; and • simplify the earnings base of an employee for superannuation guarantee (SG) purposes. 						
Superannuation Legislation Amendment (Choice of Superannuation Funds) 2003	<p>The purpose of this Bill is to:</p> <ul style="list-style-type: none"> • require employers to make superannuation contributions on behalf of an employee to a complying superannuation fund, superannuation scheme or retirement savings account in compliance with the choice of fund requirements, and • provide penalties for breach of the choice of fund requirements. 	27/06/02	05/12/03	10/02/04	22/06/04	30/06/04	102
Superannuation Legislation Amendment (Choice of Superannuation Funds) Bill 2005	<p>The purpose of this Bill is to:</p> <ul style="list-style-type: none"> • impose a penalty on employers who recoup from employees the costs from complying with their choice of fund requirements; • specify circumstances where an employer does not have to provide employees with a standard choice form; • clarify a number of matters, including the test for whether a defined benefit fund is in surplus, the obligation on the employer to contribute to the fund specified as the default fund on the standard choice form, that a fund chosen by an employee prior to 1 July 2005 is taken to be a chosen fund, and also a clarification of the penalty provisions; • specify that the Australian Securities and Investment Commission will administer the 'no employer kick back' provision in the <i>Superannuation Industry (Supervision) Act 1993</i>; • allow the Superannuation Holding Accounts Special Account to be an eligible choice fund for employers 	26/05/05	01/06/05	14/06/05	23/06/05	29/06/05	82

	<p>until 30 June 2006; and</p> <ul style="list-style-type: none"> close the Superannuation Holding Accounts Special Account to new employer deposits from 1 July 2006. 						
Tax Laws Amendment (2005 Measures No 1) Bill 2005	<p>The purpose of this Bill is to:</p> <ul style="list-style-type: none"> implement a range of changes / improvements to Australia's tax system; and provide a tax offset (maximum of \$500) for workers aged 55 and over to encourage and reward participation in the workforce. 	10/02/05	16/02/05	07/03/05	23/06/05	29/06/05	77
Tax Laws Amendment (2005 Measures No. 2) Bill 2005	<p>The purpose of this Bill is to implement a range of changes and improvements to Australia's taxation system, including:</p> <ul style="list-style-type: none"> amending the <i>Income Tax Assessment Act 1936</i> to provide appropriate tax treatment for superannuation annuities that have been split upon marriage breakdown. 	17/03/05	16/06/05	20/06/05	23/06/05	29/06/05	78
Tax Laws Amendment (Medicare Levy and Medicare Levy Surcharge) Bill 2005	<p>The Purpose of this Bill is to:</p> <ul style="list-style-type: none"> increase the Medicare levy low income thresholds for individuals and families. The dependent child/student component of the family threshold will also be increased. increase the Medicare levy low income threshold for pensioners below age pension age so that they do not have a Medicare levy liability where they do not have an income tax liability; and increase the Medicare levy surcharge low income threshold in line with movements in the CPI. 	26/05/05	31/05/05	14/06/05	15/06/05	26/06/05	62
The New International Tax Arrangements (Managed Funds and Other Measures) Bill 2004	<p>The purpose of this Bill is to:</p> <ul style="list-style-type: none"> make a number of changes exempting from Australian tax foreign source income derived by Australian fixed trusts to which foreign resident beneficiaries are presently entitled; make changes to the tax treatment of foreign residents who make a capital gain or loss in respect of an interest in an Australian fixed trust; and ensures that generally the source of income derived by widely held unit trusts from funds management 	18/11/04	16/02/05	07/03/05	09/03/05	21/03/05	21

	activities to which a non-resident beneficiary is presently entitled will be determined in the same manner as it would be determined for the purposes of the <i>Income Tax Assessment Act 1936</i> and the <i>Income Tax Assessment Act 1997</i> .						
The Tax Laws Amendment (Superannuation Reporting) Bill 2004	The purpose of this Bill is to remove the requirement for employers to provide reports to employees under the superannuation guarantee (SG) arrangements. The removal of this requirement will have effect from 1 January 2005.	18/11/04	6/12/04	7/12/04	7/12/04	14/12/04	142

Source – Capital Monitor

What's Pending?

Title of Bill	Purpose	Introduced in the House of Reps	Passed in the House of Reps	Introduced in the Senate	Passed in the Senate	Royal Assent	Act Number
Superannuation Laws Amendment (Abolition of Surcharge) Bill 2005	This Bill abolishes the surcharge payable on individuals' surchargeable contributions and relevant termination payments, with effect from 1 July 2005.	26/05/05	31/05/05	14/06/05	Denied Second Reading 15/06/05	TBA	TBA
Tax Laws Amendment (Personal Income Tax Reduction) Bill 2005	The purpose of this Bill is to: <ul style="list-style-type: none"> • amend the <i>Income Tax Rates Act 1986</i> to reduce the lowest marginal tax rate from 17 per cent to 15 per cent and to increase the top two personal income tax thresholds; and • amend the <i>Medicare Levy Act 1986</i> to increase the income threshold that applies to taxpayers who are eligible for a rebate of tax under section 160AAAA of the <i>Income Tax Assessment Act 1936</i> (the senior Australians tax offset). 	12/05/05	25/05/05	14/06/05	15/06/05	TBA	TBA

Source – Capital Monitor

Regulations

The Government have also released the:

1. Retirement Savings Accounts Amendment Regulations 2005 (No. 1) and the Superannuation Industry (Supervision) Amendment Regulations 2005 (No. 2). These regulations allow a person who has reached their preservation age to access their superannuation through an income stream without having to retire permanently from the workforce.
2. Superannuation Industry (Supervision) Amendment Regulations 2005 (No 3). These regulations provide that from 1 July 2005 superannuation balances can be moved from one fund to another; known as portability, without having to wait 6 months from the date of the last employer contribution.

What's Proposed?

1. The Government has proposed that members of accumulation superannuation funds may split future personal and employer superannuation contributions with their spouse from 1 July 2006. Under this proposal, each spouse may have access to their own Reasonable Benefit Limit (RBL) and ETP low-rate threshold.

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