

Important changes to Centric Super from 1 July 2021

28 July 2021

This notice updates information in the Centric Super Product Disclosure Statement (PDS) dated 27 November 2020 and the Centric Super Additional Information Guide (AIG) dated 19 April 2021. You should read this notice together with the PDS and AIG which you can download from our website at www.centricwealth.com.au/policies

The PDS and AIG contain a summary of significant tax information in the section titled “How Super is Taxed”. The Australian Taxation Office (ATO) web page [“Key super rates and thresholds”](#) has more information about the changes included in this notice.

Super contribution caps

From 1 July 2021, there have been increases to the annual contribution limits (caps) you may be able to make. The new caps are:

Year	Concessional Contributions Cap	Non-Concessional Contributions Cap
2021-2022	\$27,500	\$110,000 per year or \$330,000 over three years

Visit the ATO web page about [super contributions caps](#) for more information.

General transfer balance cap

The general transfer balance cap is a limit on the amount of super you can transfer from the accumulation phase into the retirement income stream phase (pension). From 1 July 2021, the general transfer balance cap has increased from \$1.6 million to \$1.7 million for anyone starting a new pension. Go to the ATO web page about the [indexation of the general transfer balance cap](#) for more information.

Total superannuation balance

There are several super-related measures affected by your total superannuation balance. Visit the ATO website for more information on [total super balance](#)

Low rate cap amount

The low rate cap amount is the limit set on the amount of taxable components (taxed and untaxed elements) of a super lump sum that can receive a lower (or nil) rate of tax. It applies if you have reached your preservation age but are below 60 years old. It is a lifetime cap which is reduced by any amount previously applied to the low rate threshold.

From 1 July 2021, the low rate cap amount is \$225,000. Visit the ATO webpage [“Low rate cap amount”](#) for more information.

Reduced pension minimum drawdown extended

From 1 July 2021 the minimum pension drawdown reduction rates will be extended until 30 June 2022 as part of the Federal Government's COVID-19 measures.

The table below illustrates the standard minimum pension factors that normally apply and the temporary 50% COVID-19 related reduction for the 2021/22 financial year. Pension factors may change from time to time.

Age	Percentage of account balance	Reduced rates for 2021/22 financial year
Under 65	4%	2%
65-74	5%	2.5%
75-79	6%	3%
80-84	7%	3.5%
85-89	9%	4.5%
90-94	11%	5.5%
95 or more	14%	7%

Visit the ATO web page ["Minimum annual payments for super income streams"](#) for more information.

Increase in Superannuation Guarantee (SG)

From 1 July 2021, the Superannuation Guarantee, increased from 9.5% to 10%. This is scheduled to increase every year until 2025.

Financial Year	SG rate (%)
2021-2022	10.0
2022-2023	10.5
2023-2024	11.0
2024-2025	11.5
2025 onwards	12.0

Visit the ATO web page about the [super guarantee percentage](#) for more information.

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The information in this notice is general information only and does not take into account your personal financial situation or needs. You should consult a licensed financial adviser to obtain financial advice that is tailored to suit your personal circumstances.