

MEDIA RELEASE: ... PER CAPITA WELCOMES THE CHANGES TO THE SUPERANNUATION TAX INCREASE PLAN

Per Capita voices its support for the upcoming revised measures to the superannuation tax increase plan, as signed off by cabinet on Monday, 13 October.

The changes, which will take effect from July 2026, will make the Australian superannuation system fairer by raising the tax rate from 15 per cent to 30 per cent for earnings on balances between \$3 million and \$10 million. Under the revised plan, a 40 per cent tax rate will apply to earnings on balances above a secondary threshold of \$10 million.

The \$3 million threshold will now be indexed, as will the new \$10 million threshold. Such changes would apply to the 80,000 Australians who have super accounts holding \$3 million or more.

Indexing this tax rate will alleviate fears for those with superannuation balances currently just under \$3 million. Such policy certainty is an important component of a fair and effective tax and transfer system, and this change will provide more security for taxpayers just below the threshold.

Additionally, from 1 July 2027, the low-income superannuation tax offset (LISTO), which applies to people earning less than \$37,000 a year, will be increased from \$500 to \$810. The threshold will also be increased to \$45,000, in line with the lowest personal income tax threshold.

The reform is expected to raise approximately \$1.6 billion in 2028-29.

While we would argue the case for further improvements to this plan, these changes are a significant step forward in creating a fairer tax and transfer system.

Executive Director, Dr Wesa Chau, said:

"It's our belief that this superannuation change will make the system fairer, balancing taxing the small percentage of people with more than \$3 million, while supporting those on low income."

For more information or further statements, please contact media@percapita.org.au

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