

## **MEDIA RELEASE**

### **Older SMSF members to be hit much harder by super reforms**

**Thursday, 4 May 2017** – Australians with SMSFs, particularly those aged over 49, will be much harder hit by the super reforms than the statistics produced by the federal government suggest, the latest Class SMSF Benchmark Report shows.

The Report, released today, shows that those who have not had the benefit of compulsory super contributions their whole working life, chiefly Baby Boomers and older members of Generation X, will be significantly impacted by the cut in the concessional contributions cap because of their need to make “catch up” super contributions in later life.

From July 1 2017, the annual cap on concessional contributions for over 49s will be lowered from \$35,000 to \$25,000, the new cap for all age groups.

While the government produced figures in the 2016 Budget showing that only 3.5% of super account holders made concessional contributions over \$25,000 a year, the Class analysis shows that 25.9% of SMSF members over the age of 49 did so.

Measured by dollar value, 90% of the reduction in contributions imposed by the new cap will come from members aged 49 and over.

Even among those younger than 49 years, 17.3% contribute more than \$25,000 a year, much higher than the government’s figure of 3.5%.

Class CEO Kevin Bungard said in light of these figures, many more Australians would need to carefully consider their retirement savings plans and whether they would be able to meet their goals under the new contributions caps.

“The average SMSF member is aged 58 and worked for 15 years before the superannuation guarantee was introduced, well over a third of their career,” Mr Bungard said.

“It’s no wonder that more than a quarter of those 49 and older took advantage of the higher caps to make catch up contributions.

“It will now be much harder for them to catch up for those lost years.”

The Report also found a much larger percentage of SMSF members than implied by the government’s figures would be affected by the new non-concessional contribution caps and the \$1.6m transfer balance cap.

Download the Class SMSF Benchmark Report [here](#).

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#### **About Class**

Class was established in 2005 to develop and deliver industry strength software solutions for the Australian self-managed superannuation industry. Class Super is Australia’s leading cloud SMSF administration software. Class Portfolio is a powerful administration and reporting solution for companies, trusts and individuals.

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