

2025-26
Rates and Thresholds

INSTITUTE OF FINANCIAL PROFESSIONALS AUSTRALIA



Published by the Institute of Financial Professionals Australia
ABN 96 075 950 284
Reg No: A0033789T

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2025-26 Individual tax rates

Resident individuals		
Taxable income	Rate (%)	Tax on this income (not including Medicare levy)
$0 - $18,200	0	Nil
$18,201 - $45,000	16	16% for each $1 over $18,200
$45,001 - $135,000	30	$4,288 + 30% for each $1 over $45,000
$135,001 - $190,000	37	$31,288 + 37% for each $1 over $135,000
$190,001 & above	45	$51,638 + 45% for each $1 over $190,000

Foreign resident individuals		
Taxable income	Rate (%)	Tax on this income
$0 - $135,000	30	30% on the entire amount
$135,001 - $190,000	37	$40,500 + 37% for each $1 over $135,000
$190,001 & above	45	$60,850 + 45% for each $1 over $190,000

Resident minor's tax rates on eligible taxable income	
Taxable income	Tax on this income
$0 to $416	Nil
$417 - $1,307	66% for each $1 over $416
$1,308 & above	45% on the entire amount that is not excepted income

Foreign resident minor's tax rates on eligible taxable income	
Taxable income	Tax on this income
$0 to $416	30% on the entire amount
$417 - $713	$124.80 + 66% for each $1 over $416
$714 & above	45% on the entire amount

2025-26 Tax offsets for individuals

Low Income Tax Offset	
Taxable income	Tax offset
$0 - $37,500	$700
$37,501 - $45,000	$700 – (5% of excess over $37,500)
$45,001 - $66,667	$325 – (1.5% of excess over $45,000)
$66,668 & above	Nil

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ETPs and Redundancies

Employment Termination Payments (ETPs)		
	2025-26	2024-25
Life benefit ETP cap (indexed)	$260,000	$245,000
Death benefit ETP cap (indexed)	$260,000	$245,000

Taxation of Life Benefit ETPs			
	Age	Amount subject to tax	Tax rate[1]
ETP cap[2]	Under preservation age	First $260,000 Above $260,000	32% 47%
	Over preservation age	First $260,000 Above $260,000	17% 47%

1. Includes Medicare levy
2. Applies to excluded payments.

Taxation of Death Benefit ETPs		
Beneficiary	Amount subject to tax	Tax rate[1]
Tax dependant	First $260,000 Above $260,000	0% 45%
Non-tax dependant	First $260,000 Above $260,000	30% 45%

1. Medicare may also apply except where paid to the deceased employee's estate.

Genuine Redundancy Payments	
Tax-free part of a genuine redundancy payment or early retirement scheme payment (indexed)	$13,100
For each completed year of service add	$6,552

Unused Annual Leave Payments	
On resignation or retirement	Amount taxed
Accrued before 18/8/1993	100% taxed at 30%[1]
Accrued from 18/8/1993	100% taxed at MTR[1]
On genuine redundancy, invalidity or approved early retirement	
All service	100% taxed at 30%[1]

1. Plus Medicare levy

Unused Long Service Leave Payments	
Accrued before 16/8/1978	5% taxed at MTR[1]
Accrued between 16/8/1978 and 17/8/1993	100% taxed at 30%[1]
Accrued from 18/8/1993	100% taxed at MTR[1]
On genuine redundancy, invalidity or approved early retirement	
Accrued before 16/8/1978	5% taxed at MTR[1]
Accrued from 16/8/1978	100% taxed at 30%[1]

1. Plus Medicare levy

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Medicare

2025-26 Medicare levy

Levy is 2% of an individual's taxable income.

2025-26 Medicare levy surcharge[1] (MLS)

Income for MLS purposes		
Single	Family[2]	Rate
$0 - $101,000	$0 - $202,000	0%
$101,001 - $118,000	$202,001 - $236,000	1%
$118,001 - $158,000	$236,001 - $316,000	1.25%
$158,001 & above	$316,001 & above	1.5%

1. Includes taxable income, reportable fringe benefits, reportable super contributions, net investment losses, exempt foreign income and any net amount subject to family trust distribution tax.
2. Threshold increases by $1,500 for each additional dependent child after the first.

2024-25[1] Medicare levy threshold: Individuals who qualify for the SAPTO

Taxable income	Medicare levy payable
$0 - $43,020	Nil
$43,021 - $53,775	10% of excess over $43,020
$53,776 & above	2% of taxable income

1. Different thresholds apply to family taxpayers, which includes couples and sole parents.

2024-25[1] Medicare levy reduction threshold: Individuals

Taxable income	Medicare levy payable
$27,222	Nil
$27,223 - $34,027	10% of excess over $27,222
$34,028 & above	2% of taxable income

1. Different thresholds apply to family taxpayers, which includes couples and sole parents.

FBT rates and thresholds

FBT and gross-up rates

FBT years	Rate	Type 1	Type 2
2024-25	47%	2.0802	1.8868
2025-26	47%	2.0802	1.8868

Record keeping exemption

31-Mar-26: $10,664	**31-Mar-25**: $10,334

FBT – Benchmark interest rate

31-Mar-26: 8.62%	**31-Mar-25**: 8.77%

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Car fringe benefits

Statutory formula method
The statutory fraction is 20%

Taxable value of a fringe benefit of a motor vehicle other than a car (c/km basis)			
FBT year ending	0 to 2500cc	Over 2500cc	Motor cycles
31-Mar-25	66c	77c	19c
31-Mar-26	69c	80c	20c

Car parking threshold	
31-Mar-26	$11.03
31-Mar-25	$10.77

Cents per km car rates	
2025-26	88c per kilometre
2024-25	85c per kilometre

Division 7A – Benchmark interest rate	
2025-26	8.37%
2024-25	8.77%

Capital improvement threshold	
2025-26	$187,962
2024-25	$182,665

Other

Motor vehicles	2025-26	2024-25
Luxury car tax limit	$80,567	$80,567
Fuel efficient luxury car tax limit	$91,378	$91,387
Car depreciation limit	$69,674	$69,674
Maximum GST credit claim for cars	$6,334	$6,334

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Corporate entity tax rates

Corporate entity tax rates 2025-26	
Private and public companies (base rate entities)	25%
Private and public companies (other)	30%
Public trading trusts (base rate entities)	25%
Public trading trusts (other)	30%
Life Insurance companies	
Ordinary class	30%
Complying superannuation class	15%
Non-profit companies (base rate entities)	
First $416 of taxable income	Nil
Taxable income $417 - $762	55% of excess over $416
Taxable income $763 & above	25% on all taxable income
Non-profit companies (other)	
First $416 taxable income	Nil
Taxable income $417 - $915	55% of excess over $416
Taxable income $916 & above	30% on all taxable income

Foreign currency exchange rates

Foreign currency exchange rates for financial year ended 30 June 2025			
Country	Average rate for the year	Nearest actual rate at year end	Currency
China	4.6760	4.6921	CNY
Europe	0.5963	0.5586	EUR
Japan	97.0162	94.2600	JPY
New Zealand	1.0966	1.0768	NZD
Singapore	0.8589	0.8341	SGD
UK	0.5011	0.4771	GBP
USA	0.6482	0.6550	USD

Note: For a complete list of countries, see the *2025-26 Tax Summary* at 22.340.

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Superannuation

Contribution Caps	
Concessional contributions (CC)	
CC cap	$30,000
Carry forward CCs: Total superannuation balance (TSB) at previous 30 June	TSB must be less than $500,000
Non-concessional contributions (NCC)	
NCC cap	$120,000
NCCs under bring forward rules	
TSB at 30 June 2025	**NCC cap under bring forward period**
Less than $1.76m	$360,000 – 3 years
$1.76m but less than $1.88m	$240,000 – 2 years
$1.88m but less than $2m	$120,000 – 1 year
$2m or more	Nil
Small business lifetime CGT cap	
Includes amounts contributed under 15-year exemption and retirement exemption	$1,865,000
Downsizer contributions cap	
Can contribute up to	$300,000 per eligible person

Superannuation Guarantee (SG)	
SG rate	12%
Maximum contribution base	$62,500 per quarter

Due dates for SG payments	
SG quarter	**Due date for SG payments**
1 July to 30 September	28 October
1 October to 31 December	28 January
1 January to 31 March	28 April
1 April to 30 June	28 July

Government Co-contributions	
Total income	**Max co-contribution (50c for every $1)**
$0 – $47,488	50% of NCCs made during the financial year (capped at a maximum co-contribution amount of $500)
$47,489 – $62,488	$500 – [(Total income[1] – $47,488) x 0.03333]
$62,489 and over	Nil

1. Total income = assessable income + reportable fringe benefits + reportable employer super contributions – allowable business deductions.

Spouse Contribution Tax Offset		
Spouse income (SI)[1]	**Max spouse contributions (MC)[2]**	**Max tax offset**
$0 to $37,000	$3,000	$540
$37,001 - $39,999	$3,000 – (SI – $37,000)	MC x 18%
$40,000 & over	Nil	Nil

1. SI = spouse's assessable income + reportable fringe benefits + reportable employer super contributions.
2. Maximum amount of contributions for which the offset can be claimed.

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Superannuation cont'

Excess Contributions Tax

CC	Excess CCs are taxed at individual's marginal tax rate (MTR) less a 15% non-refundable tax offset for contributions tax already paid in fund. Excess tax can be paid personally or from super. Note – excess CCs not released count towards NCC cap.
NCC	If excess NCC not withdrawn: pay 47% tax on entire excess NCC which must be paid from super.
	If excess NCC plus 85% of associated earnings released from super: 100% of earnings taxed at individual's MTR less a 15% non-refundable tax offset. Same tax treatment applies if individual has insufficient funds in superannuation to withdraw excess NCC.

Division 293 Contributions Tax

An extra 15% tax applies to an individual's CCs where their income and 'low tax contributions' > $250,000.

Preservation age

From 1 July 2024, individuals will reach their preservation age once they turn 60. Anyone aged 60 or over as at 1 July 2024 has already met their preservation age.

Taxation of Super Lump Sum Benefit Payments

		2025-26	2024-25
Untaxed plan cap amount (indexed)		$1,865,000	$1,780,000
Age at payment date	**Taxed element[1]**	**Untaxed element[1]**	
Under age 60	22%	32% up to $1,865,000 47% over $1,865,000	
Age 60 and over	Tax-free	17% up to $1,865,000 47% over $1,865,000	

1. Tax rates include Medicare levy.

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Superannuation cont'

Minimum account based pension withdrawal	
	2025-26
Under 65 years	4%
65 to 74 years	5%
75 to 79 years	6%
80 to 84 years	7%
85 to 89 years	9%
90 to 94 years	11%
95 and over	14%
Transition to retirement max. withdrawal	10%

Taxation of Superannuation Income Streams		
Age	Taxed element	Untaxed element
Under age 60	Taxed at MTR with no tax offset[1]	Taxed at MTR with no tax offset
Age 60 and over	Tax-free	Taxed at MTR with 10% tax offset

1. Tax offset of 15% is available if considered a disability superannuation benefit.

Taxation of Superannuation Death Benefit Lump Sum Benefit Payments				
	Paid directly to beneficiary		Paid via estate	
B'ficiary	Taxable: taxed element	Taxable: untaxed element	Taxable: taxed element	Taxable: untaxed element
Tax dependant	Nil	Nil	Nil	Nil
Non-tax dependant	MTR or 17%[1], which-ever is lower	MTR or 32%[1], which-ever is lower	15%[2]	30%[2]

1. Includes Medicare levy.
2. No Medicare levy where paid to deceased's estate.

Taxation of Super Death Benefit Income Streams			
Age of deceased	Age of b'ficiary	Taxable: taxed element	Taxable: untaxed element
Under age 60	Under age 60	MTR with 15% tax offset	MTR
	Age 60 and over	Tax-free	MTR with 10% tax offset
Age 60 and over	Any age	Tax-free	MTR with 10% tax offset

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Superannuation cont'

Transfer Balance Cap (TBC)	
Date retirement phase income stream commenced	TBC
On or after 1 July 2025	$2m
Before 1 July 2025	Personal TBC will vary between $1.6m – $2m, based on the highest ever balance in individual's transfer balance account

Capped Defined Benefit Income Streams (CDBIS)	
Defined benefit income cap (DBIC)	$125,000

Modified tax treatment of CDBIS	
Income from CDBIS exceeding the DBIC is subject to additional taxation:	
Tax-free component	Amount below DBIC is tax-free 50% of amount above DBIC is taxed at MTR
Taxable – taxed element	Amount below DBIC is tax-free 50% of amount above DBIC is taxed at MTR
Taxable – untaxed element	Amount below DBIC is taxed at MTR less 10% tax offset 100% of amount above DBIC is taxed at MTR

Impact of total super balance (TSB) on superannuation measures	
Superannuation measure	TSB threshold
NCCs, including under the bring forward rule	NCC bring forward amount decreases if TSB is >1.76m and reduces to nil once TSB is >$2m at previous 30 June
The carry forward CC rules	Cannot be used if TSB is >$500k at previous 30 June
Work test exemption	Cannot be used if TSB is >$300k at previous 30 June
Government co-contribution	Not available if TSB is >$2m at previous 30 June
Spouse contribution tax offset	Not available if receiving spouse's TSB is >$2m at previous 30 June
Segregated asset method for calculating exempt current pension income	Not available if TSB is >$1.6m at previous 30 June

SMSF Limited Recourse Borrowing Arrangement (LRBA) Safe Harbour Interest Rate		
Financial year	Real property	Listed shares or units
2025-26	8.95%	10.95%

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