



# 2025-26 Rates and Thresholds





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Note: All information is current as at 30 June 2025.

Disclaimer: This tool is a guide only. Independent legal, financial and/or tax advice is recommended.

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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 <sup>1</sup>
ETP cap <sup>2</sup>	Under preservation age	First \$260,000	32%
		Above \$260,000	47%
	Over preservation age	First \$260,000	17%
		Above \$260,000	47%

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

### Taxation of Death Benefit ETPs

Beneficiary	Amount subject to tax	Tax rate <sup>1</sup>
Tax dependant	First \$260,000	0%
	Above \$260,000	45%
Non-tax dependant	First \$260,000	30%
	Above \$260,000	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% <sup>1</sup>
Accrued from 18/8/1993	100% taxed at MTR <sup>1</sup>
On genuine redundancy, invalidity or approved early retirement	
All service	100% taxed at 30% <sup>1</sup>

1. Plus Medicare levy

### Unused Long Service Leave Payments

Accrued before 16/8/1978	5% taxed at MTR <sup>1</sup>
Accrued between 16/8/1978 and 17/8/1993	100% taxed at 30% <sup>1</sup>
Accrued from 18/8/1993	100% taxed at MTR <sup>1</sup>
On genuine redundancy, invalidity or approved early retirement	
Accrued before 16/8/1978	5% taxed at MTR <sup>1</sup>
Accrued from 16/8/1978	100% taxed at 30% <sup>1</sup>

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<sup>1</sup> (MLS)

#### Income for MLS purposes

Single	Family <sup>2</sup>	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<sup>1</sup> 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<sup>1</sup> 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%
<b>Life Insurance companies</b>	
Ordinary class	30%
Complying superannuation class	15%
<b>Non-profit companies (base rate entities)</b>	
First \$416 of taxable income	Nil
Taxable income \$417 - \$762	55% of excess over \$416
Taxable income \$763 & above	25% on all taxable income
<b>Non-profit companies (other)</b>	
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
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Carry forward CCs: Total superannuation balance (TSB) at previous 30 June	TSB must be less than \$500,000
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#### Non-concessional contributions (NCC)

NCC cap	\$120,000
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#### 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
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#### Downsizer contributions cap

Can contribute up to	\$300,000 per eligible person
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### Superannuation Guarantee (SG)

SG rate	12%
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Maximum contribution base	\$62,500 per quarter
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### 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 <sup>1</sup> – \$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) <sup>1</sup>	Max spouse contributions (MC) <sup>2</sup>	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

<b>CC</b>	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.
<b>NCC</b>	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 <sup>1</sup>	Untaxed element <sup>1</sup>	
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 <sup>1</sup>	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	
	Taxable: taxed element	Taxable: untaxed element	Taxable: taxed element	Taxable: untaxed element
Beneficiary				
Tax dependant	Nil	Nil	Nil	Nil
Non-tax dependant	MTR or 17% <sup>1</sup> , whichever is lower	MTR or 32% <sup>1</sup> , whichever is lower	15% <sup>2</sup>	30% <sup>2</sup>

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
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### 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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