

What The 2019 Federal Budget Means For Your Family

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The winners from the 2019 federal budget are middle-income workers, small and medium businesses, and older Australians wanting to ramp up their super contributions.

The losers? Well, there was no direct announcement aimed at homebuyers struggling with housing affordability.

However, there were a number of indirect ways the budget may assist your mortgage repayment or deposit saving capacity.

Let's take a look at a few.

Middle-income tax relief

Middle-income workers earning between \$48,001 and \$90,000 could receive immediate tax savings of up to \$1080 for a single or \$2160 for a dual-income family as early as July 1.

Workers who earn \$90,001 to \$126,000 don't miss out on the action, either. However the more you earn over \$90,000 the less you'll receive until tax savings taper off completely at \$126,001.

Tax brackets flattened

High-income earners could also benefit under the Coalition's plan to flatten the tax brackets, albeit by 2024-25.

Essentially, all taxpayers earning between \$45,000 and \$200,000 would have their tax rate reduced to 30%. This would see a couple earning \$200,000 per person receiving total household tax relief of \$23,280.

However, as the changes are not scheduled to come into effect until 2024-25, and Labor does not support the plan, the Coalition would need to win the next two elections to implement it.

SME business benefits

Tax rates for small and medium businesses will drop from 27.5% to 26% next year, before falling to 25% in 2021.

The government is also increasing the instant asset write-off threshold from \$25,000 to \$30,000 per asset and will make it available to businesses with an annual turnover as high as \$50 million (up from the current \$10 million cut-offs).

Meanwhile, apprentice incentive payments are being increased for businesses that employ carpenters, plumbers, hairdressers, bricklayers, plasterers, bakers, vehicle painters, tilers and arborists, to name a few.

Employers will have their apprentice incentive payments doubled to \$8000 per placement, while apprentices will receive a \$2000 incentive payment.

Superannuation changes

Australians aged 65 and 66 will be able to make voluntary superannuation contributions without having to work at least 40 hours over a 30 day period.

They'll also be allowed to make up to three years worth of voluntary contributions (\$300,000 in total) in just one year if they wish. The government is also increasing the age limit for spouse contributions from 69 to 74 years.

Energy assistance payment

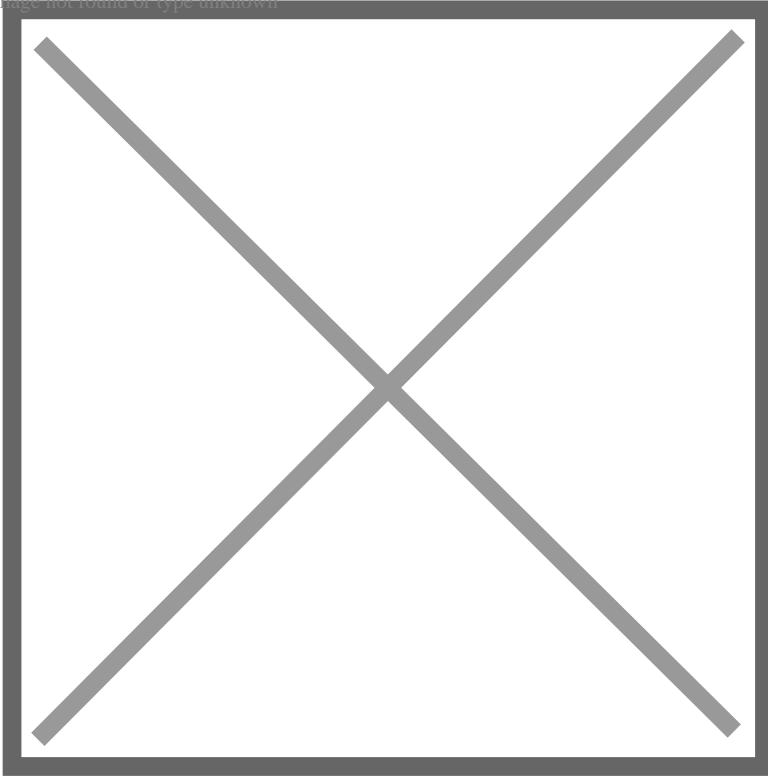
A one-off Energy Assistance Payment, worth \$75 for singles and \$125 for couples, will help age pensioners, people on the Disability Support Pension, veterans, carers, single parents and Newstart recipients cover the cost of rising power prices.

Want to know more?

Today we've covered the federal budget measures that may have a direct impact on your finances, but there were plenty more announcements that we haven't touched upon, including infrastructure and transport projects, national security, pre-school education, healthcare, welfare, mental health initiatives, and regulator and compliance funding.

If you have any questions about any of the potential changes arising from this year's federal budget and how it may affect your family budget, please get in touch. Jump into [Our Community](#) and share your thoughts or ask questions from a range of experts.

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