



FEDERAL BUDGET CHANGES

I'm 34yo female, 2 school kids, work part-time, my husband works full-time. What was in the Budget for me?

Carla, Panania NSW

With tough times predicted ahead the Federal Treasurer, and two stimulus packages already delivered in the past year, there was not as many "giveaways" (or "take-aways") in this year's Federal Budget.

Whilst many of us thought that it was a fairly tame budget compared to previous years, I still found a number of areas which may have an impact to you and your family Carla.

First, here is the good news ...

First Home Owners Boost This scheme has been extended by an extra six months to 31 December to help those looking to buy their first home, although it does start phasing out from 1 October.

Paid maternity leave If you are planning on having another child there is some great news that from 1 January 2011 there will be paid parental leave for up to 18 weeks.

Income tax It was expected that there was going to be a backflip on income tax cuts announced in last year's budget. Surprising they didn't. Woohoo! As a result you and your husband will be getting an extra \$150 each per year in your pay packets from 1 July.

... but now the bad news

Superannuation The maximum amount that you will be able to contribute into super will be reduced by half (from \$50,000 to \$25,000 per annum)

Super co-contribution The co-contribution amount is also being reduced next year from \$1.50 per dollar contributed into super down to dollar for dollar. It is still free money though for those

eligible.

Health care rebate

If your combined income is under \$150,000 per annum then you will still get the 30% health care rebate. The rebate reduces to 20% up to \$180,000 and 10% up to \$240,000. It phases out totally above this amount.

Unemployment

Unemployment is predicted to rise to 8.5% in the next few years. With an extra 300,000 people expected to be without a job, it means scary times ahead for a lot of us.

Age pension

Unfortunately we will have to wait an extra 2 years (til age 67) to qualify for the age pension. I just hope that they don't raise the bar a few more years by the time that we get to that age!

Family Tax Benefit

Instead of being annually adjusted, the upper income threshold for the Family Tax Benefits Part A (\$122,000) & Part B (\$150,000), as well as the baby bonus, will remain at current levels. I expected that "bracket creep" will make some families ineligible in future years,

Lost super

The Government may snaffle your super fund accounts under \$200 that are inactive for more than 5 years in 2010/11. Make sure you chase up those missing funds now!