



### SENIOR AUSTRALIAN TAX TIP

The Senior Australians Tax Offset (SATO) is a tax offset that's available to an individual who is at pension age or older and whose rebate income is below the offset cut-out threshold. In addition, the taxpayers have been an Australian resident for age-pension purposes for either 10 continuous year or for more than 10 years of which 5 years were continuous.

#### Senior Australian Tax Offsets 2010-11

Pension Age – <i>Male</i> : 65 years old <i>Female</i> : 64 years old				
Details	Maximum Offset	Shade-out Threshold*	Cut-out Threshold	Combined Taxable Income
Single, Widowed, Separated	\$2,230	\$30,685	\$48,525	N/A
Married – living together (each)	\$1,602	\$26,680	\$39,496	\$78,992
Married – separated due to illness (each)	\$2,040	\$29,600	\$45,920	\$91,840

\* Offset reduces by \$12.5 cents for each dollar of rebate income in excess of the threshold.

The Medicare levy thresholds that apply to senior Australians will also be increased to ensure that they do not pay the levy until they begin to incur an incur tax liability.

#### Medicare Levy Thresholds for SATO 2010-11

The Medicare levy thresholds for individuals eligible for the SATO		
Details	No Levy Payable if Income Is <	1.5% Levy Payable if Income Is >
Single	\$30,685	\$36,100
Couples/Family**	\$44,500	\$52,353

\*\* For each additional dependant add \$2,865 to the lower limit and \$3,370 to the upper limit.

We have provided general information for guidance only in this newsletter. For business and personal taxation planning, or other professional advice having regard to your circumstances, please come and see either Charles or Matthew.