

Fact sheet

How is super taxed?

Money paid into super is taxed at a lower rate than money paid into other types of investments. This makes super one of the most tax-effective forms of investment available and a great way to save for retirement.

Tax on contributions

Concessional (before-tax) contributions made into super, like employer and salary sacrifice amounts, are subject to tax concessions and taxed at a rate of 15%.

Individuals can receive before-tax contributions of up to \$50,000 per year (or \$100,000 if they are 50yrs and over) at the concessional rate of 15%. Contributions in excess of this amount will be taxed at 46.5%.

Non-concessional (after-tax) contributions are not taxed when they are paid into super because income tax has already been deducted from your wages.

Individuals under 65 years of age can make after-tax contributions of up to \$150,000 per year (or \$450,000 over three years). Contributions in excess of these amounts will be taxed at 46.5%. If you're 65 or older you can make up to \$150,000 in after-tax contributions per year as long as you meet a work test (you have worked at least 40 hours during a consecutive 30-day period in the year).

If you earn under \$60,342 and make a non-concessional contribution to super, you may receive a Government Co-contribution of up to \$1,500. This co-contribution is not taxed.

Tax File Numbers

The above contribution limits apply if you have provided your superfund with your Tax File Number (TFN). If you have not supplied your TFN, your contributions may be taxed at 46.5%.

Super funds are also able to accept non-concessional (after-tax) contributions from you if you have not supplied your TFN.

Tax on investment earnings

Investment earnings are taxed at a rate of up to 15%. This tax is deducted from the crediting rate, along with investment management fees, before earnings are credited to your account on 31 December and 30 June each year.

Tax on withdrawals

Super benefits paid in cash from taxed funds like AustralianSuper will generally be tax free for members aged 60 years and over. This includes both lump sum and pension payments.

For people under 60 years of age who are eligible to receive their benefit, the tax treatment of lump-sum withdrawals has been simplified.

The tax-exempt component of the benefit will remain tax free while the taxable component will be taxed at the rates set in the table below.

How is super taxed? (continued)

The tax treatment of lump-sum withdrawals for members under 60 years of age is outlined below:

Components	Tax Treatment
Tax exempt	Tax free
Taxable	<ul style="list-style-type: none">• If aged under 55, taxed at 21.5%• If aged between preservation age and 59 years, the first \$145,000 will be tax free and the remainder will be taxed at 16.5%

Tax deductions

Some people may be eligible to claim a tax deduction on contributions to super if they have already paid tax on these amounts. This includes:

- employed people, where their employer is not providing and has no obligation to provide, superannuation contributions;
- entirely self-employed people;
- substantially self-employed people where assessable (and any exempt) income, plus reportable fringe benefits received, on which employer superannuation contributions are based, is less than 10% of their total assessable income.

Further information

Visit the Australian Tax Office website at www.ato.gov.au for additional information on superannuation and taxation or contact AustralianSuper on **1300 300 273** if you have any queries. Some staff are bi-lingual and can help you with access to interpreters.