

## Fact sheet

# Superannuation contribution limits

The Government places limits on the amounts that you can contribute to super.

### What type of contributions can you make?

There are two types of contributions that can be made to super:

- 1) Before-tax or concessional contributions** includes Superannuation Guarantee, salary sacrifice, extra employer and self-employed contributions (for which a tax deduction can be claimed). Before-tax contributions are taxed within the Fund at a flat rate of 15%.
- 2) After-tax or non-concessional contributions** are contributions made from your salary, after tax has already been paid at your marginal tax rate. They include spouse contributions, personal after-tax contributions and the non-taxable portion of an overseas benefit transferred to an AustralianSuper account.

### What are the limits?

#### Before-tax contributions

An annual limit of \$25,000 per person applies to all before-tax contributions made to super.

Members aged 50 or over in the period from 1 July 2007 to 30 June 2012 are allowed to contribute up to \$50,000 a year until 1 July 2012, when the \$25,000 limit will apply to everyone.

Contributions exceeding these limits will be taxed at 46.5%.

It is important to note that if the limit on before-tax contributions is exceeded, not only will the excess amount be taxed at 46.5%, but it will also count towards your after-tax limit.

#### After-tax contributions

An annual limit of \$150,000 applies to all after-tax contributions.

However, if you are under age 65, you are allowed to bring-forward two years worth of after-tax contributions. This means you can contribute up to \$450,000 over three years without exceeding the limit. After-tax contributions in excess of the limit will be taxed at 46.5%.

Once you reach 65 years of age, you will need to satisfy a work test each year to enable you to continue making after-tax contributions. This test requires an individual to work 40 hours during a consecutive 30-day period each financial year.

People aged 63 and 64 years who contribute \$450,000 will not have to meet the work test in the two years after they make the contribution.

People over 75 years of age cannot contribute to super.

### Further information

For further information, contact AustralianSuper on **1300 300 273** or [www.australiansuper.com](http://www.australiansuper.com)