

Fact sheet

Tax and super

Super is one of the most tax-effective forms of investment and a great way to save for retirement. Generally, you'll pay less tax on the money you invest in super than you would if you invest your money outside of super.

How is super taxed?

Tax on your contributions

Not all of the money contributed to a super fund is taxed: it depends on how the money has been taxed before it goes into the fund.

Type of contribution	Tax rate	Details
Before-tax (concessional) – these are mainly employer contributions and salary sacrifice contributions.	15%	If you're under age 50 you can make before-tax contributions to your super of up to \$25,000 a year at this tax rate. If you're over age 50 you can make before-tax contributions of up to \$50,000 a year at this tax rate (until 30 June 2012). Contributions over these amounts will be taxed at 46.5% (including the Medicare levy).
Personal after-tax (non-concessional) – these are typically extra, voluntary contributions that you decide to make to the fund. You must have supplied the fund with your Tax File Number before making these contributions.	No tax payable	These contributions are limited to \$150,000 a year and are not subject to tax when paid to the fund because they have already been subject to income tax. If you're under age 65 you can contribute \$450,000 in one year, but for tax purposes you won't be able to make further contributions for another two years without paying tax. Contributions made over these amounts will be taxed at 46.5% (including the Medicare levy).
Government co-contribution	No tax payable	If you earn under \$61,920 a year and make an after-tax contribution to the fund, you could receive a Government contribution amount of up to \$1,000 depending on your earnings (other conditions apply). If you want more information on the Government co-contribution arrangements visit our website at www.australiansuper.com/cocontributions

An important note about Tax File Numbers

The above tax rates apply, if you have advised the Fund of your Tax File Number (TFN). If you haven't provided your TFN your contributions may be taxed at 46.5%. AustralianSuper is unable to accept any after-tax contributions from you if you haven't provided your TFN.

Tax and super (continued)

Tax on investments and withdrawals

Tax is payable on your investment earnings in the Fund and if you are under age 60 at the time you take your super benefit from the Fund.

What is being taxed	Tax rate	Details
Investment earnings	Up to 15%	Investment earnings are applied to your account on 31 December and 30 June each year. This tax is deducted from the crediting rate (the interest rate that applies to your investments) along with investment management fees before the earnings are applied to your account.
Withdrawals from AustralianSuper (if you're age 60 and over)	No tax payable	Both cash lump sum withdrawals and any pension payments you receive will generally be tax-free.
Withdrawals from AustralianSuper (if you're under age 60)	Tax-free component = No tax payable Taxable component = <ul style="list-style-type: none">If you're under age 55 you'll pay 21.5% tax (includes Medicare levy)If you're aged between 55 and 59 — the first \$165,000 is tax-free. The balance is taxed at 16.5% (includes Medicare levy)	Cash lump sum withdrawals (where you're eligible to receive your super benefit) are divided into a tax-free and a taxable component. These components are calculated from the type of contributions that have been made to your account. To find out how much of your super is tax-free and how much is taxable you can get a benefit quote from your online account via our website at www.australiansuper.com or call us on 1300 300 273 .

Tax deductions: are you eligible?

You might be eligible to claim a tax deduction on money you've contributed to super that may have been already subject to tax.

If you are:

- employed and your employer is not providing, and has no obligation to provide, super contributions
- entirely self-employed, or
- substantially self-employed where, generally, the assessable (and any exempt) income plus reportable fringe benefits you receive, is less than 10% of your total assessable income.

If you think you're eligible to claim a tax deduction for your super contributions visit our website at www.australiansuper.com/selfemployed

If you'd like more information, while you're there see our *Claiming a tax deduction for personal contributions* fact sheet. If you want to claim a tax deduction for your contributions you'll need to complete the tax deduction claim form that is available from our website link above and send this form to us.

If you need more information you could also visit the Australian Taxation Office (ATO) website at www.ato.gov.au/super, which has a lot of information on super and tax.

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