Using your super to buy your first home

The Australian Government has introduced the First Home Super Saver (FHSS) scheme to help Australian's save for their first home.

How it works

From 1 July 2017, first home buyers can make voluntary contributions into their AustralianSuper account, up to $15,000 a year, with a $30,000 lifetime limit (existing contribution caps apply to these contributions).

These contributions, plus earnings as calculated by the ATO, can be withdrawn from 1 July 2018 and used towards the purchase of your first home.

Eligibility

To be eligible for release of the FHSS you:

› are aged 18 years or older

› have never owned a property before in Australia

› are not in the process of using FHSS to purchase other property, and

› have not requested a release of FHSS funds for a home purchase previously.

If you've previously owned property in Australia, and experienced financial hardship that resulted in a loss of ownership of a property, you may still be eligible to participate in the FHSS scheme, subject to approval from the ATO.

You can apply for a 'determination' to the ATO to find out the maximum amount that can be released under the FHSS. A determination can be applied for multiple times.

Making the most of your super account to save for your first home

› Using your super account is an alternative way to help save for your first home compared to an everyday bank account.

› Money that you save under the FHSS can only be released for your first home in Australia.

› If you change your mind about buying your first home, the amount you've saved will remain in your super account and go towards growing your retirement savings.

› Making a before-tax contribution like salary sacrifice attracts the superannuation contribution tax rate of 15% if you earn less than $250,000 or 30% if you earn more than $250,000.

How to withdraw your contributions to buy a house

When you're ready to buy your first home, you can only apply to release your savings with the ATO once, for any amount up to the maximum – so it's important to get this right the first time you apply.

The ATO will calculate earnings on your contributions, apply any tax and relevant tax offsets.

You must apply for and receive a FHSS determination from the ATO before signing a contract for your first home or applying for the release of your FHSS amounts. You can sign a contract to purchase or construct your home:

› from the date you make a valid request to release your FHSS amounts

› up to 14 days before you make a valid request to release your FHSS.

The home must be for residential purposes, located in Australia and excludes:

› houseboats

› motor homes

› vacant land.

For more information on eligibility and how to release funds, visit **ato.gov.au**

If you need more time

You have 12 months from the date you make a valid release request to the ATO to sign a contract to purchase or construct your home. Otherwise, you can:

› have a 12 month extension from the ATO

› recontribute the amount to your AustralianSuper account as an after-tax (non-concessional) contribution and boost your super balance

› keep the released funds, but be subject to FHSS tax of 20% on the assessable FHSS released amount as applied by the ATO.

You must notify the ATO within 28 days of signing a contract to purchase or construct your home.

How to contribute

Here are some ways you can make a voluntary contribution into your account:

Before-tax contribution* – includes salary sacrifice contributions through your employer, any personal contributions you claim a tax deduction for and voluntary contributions made by your employer for which they claim a tax deduction†. If you would like to start contributing to your super through salary sacrificing visit **australiansuper.com/grow** for more information.

After-tax contribution* – includes any extra additional contributions you make from your take-home pay, for which you don't advise us you wish to claim a tax deduction. You can make additional contributions to your super through your AustralianSuper online account. Log in to access your BPAY® details or set up a direct debit. Visit **australiansuper.com/login**

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Make sure FHSS is right for you

To learn more, speak to an accredited AustralianSuper financial advisor to find out if the FHSS is right for you. Call us on **1300 300 273** (AEST weekdays) or visit **australiansuper.com/advice**

Contact us

Call **1300 300 273**
(8am to 8pm AEST/AEDT weekdays)

Email **australiansuper.com/email**

Web **australiansuper.com**

Mail GPO Box 1901, MELBOURNE VIC 3001

For more information on the FHSS visit **ato.gov.au**

* Depending on your income and personal circumstances, you may be better off contributing before or after tax, or using a combination of both. The Government places limits on the amount that can be contributed to super and you should consider your debt levels before making additional contributions. To learn more, visit **australiansuper.com/InfoTax**

† Superannuation Guarantee contributions made by your employer don't count towards the FHSS

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