Add to your super and retire with more

Adding a little extra to your super can be a great way to boost your super savings for retirement.

Why add to your super?

Paying extra into your super could save you tax and help you retire with more. Contributing small amounts over time is often easier than finding a spare 'lump sum' of money. This way, your super grows with interest and makes less of an impact on your take-home pay and living expenses.

You can add to super in two ways:

- **Before-tax** including Superannuation Guarantee (SG), before-tax employee (salary sacrifice), extra employer and tax-deductible personal contributions. These are also called 'concessional' contributions.
- **After-tax** including spouse contributions, after-tax employee and non-deductible personal contributions. These are also called 'non-concessional' contributions and are made from your after-tax, take-home pay.

Bonus Government co-contribution

Depending on how much you earn, and if you make after-tax contributions to your super account, the government also makes a contribution (called a co-contribution) up to a maximum amount of $500. The co-contribution is tax free and isn't taxed when it's deposited into, or withdrawn, from your super account.

For example, if you earn $37,697 or less, you could receive the full $500 bonus if you add $1,000 or more to your super from your take-home pay. If you earn between $37,697 and $52,697, you'll still get a Government co-contribution, but not the full amount. Find out if you qualify at: **australiansuper.com/CoContribution**

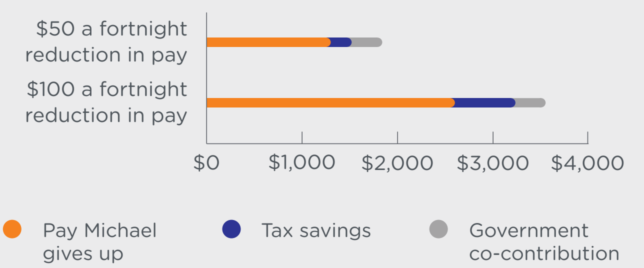
Find the best way to add to your super

Use our Projections calculator at **australiansuper.com/calculators**

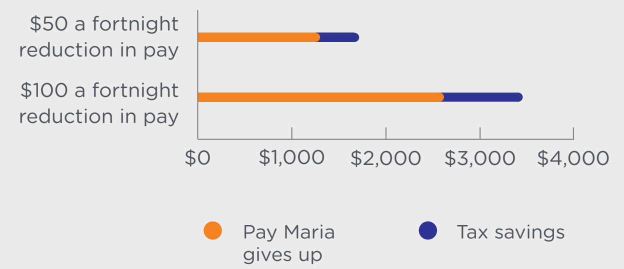
What's the best way to add to your super?

This depends on your income and the tax you pay. Let's look at the examples of Michael and Maria.

Michael adds to super, saves tax and gets a bonus Government co-contribution
30-year-old Michael earns $40,000 a year. By giving up $50 a fortnight (as a $36 salary sacrifice and $27 after-tax contribution), Michael saves $170 tax and adds an extra $1,850 into super a year. For $100 a fortnight (as a $114 salary sacrifice and $27 after-tax contribution), Michael saves $540 tax and adds an extra $3,570 to his super a year. Michael also receives a $350 Government co-contribution bonus in both cases.



Maria is better off making just salary sacrifice (before-tax) contributions
50-year-old Maria earns $65,000 a year. She won't get the Government co-contribution, but by giving up $50 a fortnight (as a $78 salary sacrifice contribution), she saves $430 tax and adds an extra $1,720 into super a year. And by giving up $100 a fortnight (as a $156 salary sacrifice contribution), Maria saves $850 tax and adds an extra $3,450 more into super a year.



This case study is provided for illustration purposes only and is not a representation of the actual benefits received or fees and costs that may be incurred. Key assumptions: Contributions tax 15%, SG 9.5%, individual tax rate 32.5% (plus the Medicare levy and low income tax offset if applicable). Total contributions to super include any applicable low-income super contribution. Results have been rounded to the nearest $10.

What are the contribution limits and what tax do you pay?

The Government limits the amounts you can contribute to super. If you go over the limits, you may pay extra tax.

Type of contribution	Tax rate	Details
Before-tax (concessional), earning less than $250,000 a year These are mainly employer contributions, salary sacrifice contributions and personal contributions claimed as a tax deduction.	15%	A $25,000 limit applies to contributions made from your before tax income. Your before-tax contributions are taxed at 15% if you earn less than $250,000 a year. Any amounts over the $25,000 limit will be taxed at your marginal tax rate*, less a non-refundable tax offset of 15% (because you have already paid tax on this money), plus an interest charge. You can choose to withdraw up to 85% of excess contributions, which won't count towards your after-tax limit. Any excess before-tax contributions not released count towards your after-tax contributions cap.
Before-tax (concessional), earning more than $250,000 a year These are mainly employer contributions, salary sacrifice contributions and personal contributions claimed as a tax deduction.	30%	A $25,000 limit applies to contributions made from your before tax income. If your adjusted taxable income (including your before-tax contributions) is more than $250,000 pa, your before-tax contributions will be taxed at 30%. Any amounts over the $25,000 limit will be taxed at your marginal tax rate*, less a non-refundable tax offset of 15% (because you have already paid tax on this money), plus an interest charge. You can choose to withdraw up to 85% of excess contributions, which won't count towards your after-tax limit. Any excess before-tax contributions not released count towards your after-tax contributions cap.
After-tax (non-concessional) These are typically extra, voluntary contributions you make from after-tax money, including spouse contributions. You must give us your Tax File Number before we can accept after-tax contributions.	No tax payable	If you have less than $1.6m in your super account, you can make after-tax contributions. A $100,000 limit applies to contributions made from after tax sources (or, if you are aged under 65 at any time during the financial year and trigger the bring forward provisions, you can contribute up to $300,000 over up to 3 years – see table on the next page. The period is automatically triggered in the first year that you add more than $100,000 after-tax to your super). No tax is payable on amounts up to this limit. Any amounts over this limit will be taxed at 47%†, unless you ask your fund to release the amounts over the limit. The associated earnings withdrawn are taxed at your marginal tax rate*. You will also be entitled to a 15% non-refundable tax offset of the associated earnings included in your assessable income. If you choose not to withdraw your excess after-tax contributions, they will remain in your super account and the excess will be taxed at 47%†.
Government co-contribution	No tax payable	To be eligible for a Government co-contribution, you need to add to your super after tax and earn less than $52,697. The co-contribution itself is not taxable either when it goes into your super, or when you withdraw your super. Further eligibility criteria apply. For more information visit **australiansuper.com/CoContributions**

* Plus Medicare levy.
† Includes Medicare levy.

Once you reach age 65, you'll need to work at least 40 hours in 30 consecutive days in the financial year you wish to contribute.

Once you reach age 75, you can't add to your super yourself, although you may still receive employer SG payments if you're eligible.

You should consider your debt levels before adding to your super.

2017/18 Bring forward period

Total superannuation balance on 30 June 2017	Non-concessional contributions cap for the first year	Bring-forward period
Less than $1.4 million	$300,000	3 years
$1.4 million to less than $1.5 million	$200,000	2 years
$1.5 million to less than $1.6 million	$100,000	No bring forward period, general non-concessional contributions cap applies
$1.6 million or more	Nil	n/a

Source: **www.ato.gov.au**

Catch up on Concessional Contributions

From 1 July 2018 if you have a total superannuation balance of less than $500,000 on 30 June of the previous financial year (this includes your AustralianSuper account and other super accounts held in your name), you may be entitled to contribute more than the general concessional contributions cap and make additional concessional contributions to catch up where you haven't previously used your full before-tax contributions cap (currently $25,000 pa).

The first year you will be entitled to carry forward unused before-tax contributions is the 2019–20 financial year. Unused amounts are available for a maximum of five years, and after this period will expire.

Low Income Super Tax Offset

If you're eligible and earn up to $37,000, the government will refund 15% of your total before-tax contributions made by you or your employer, up to a maximum of $500 pa.

If you're eligible, the amount will automatically be calculated by the ATO and deposited into your super account each year.

Over 60?

If you're over 60, a Transition to Retirement strategy could help you save on tax and boost your super.

Find out more at **australiansuper.com/ttr**

How to add to your super

1. BPAY® or direct debit
Log in to your online account at **australiansuper.com** and follow the easy steps. You'll need to use your phone or internet banking service using the BPAY Biller code: 58602 and your Customer Reference number, which you'll find in your account when you log in.

2. Through your employer
Speak with your employer about setting up a salary sacrifice arrangement. Then log in to your account at **australiansuper.com** and complete an online application.

3. Cheque/money order by mail
Download and complete an *Add to your super with after-tax contributions* form available from **australiansuper.com/forms** and send it with your payment to:

AustralianSuper
GPO Box 1901
MELBOURNE VIC 3001

Remember to tell us your Tax File Number

If you don't tell us you Tax File Number, you'll pay 47% tax on your before-tax contributions (including Medicare levy) and we can't accept after-tax contributions from you.

Contact us

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

Email **australiansuper.com/email**

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