

# Super contribution limits

The Government limits the amount you can contribute to super, as well as the tax benefits available.

## What types of contributions can you make?

A contribution is just a sum of money that you add to your super. You can add to super in two ways:

**Before-tax** includes Superannuation Guarantee (SG), before-tax employee (salary sacrifice), extra employer and tax-deductible personal contributions. These are also called 'concessional' contributions.

From 1 July 2017, anyone under 65 (and individuals aged 65-74 who meet the work test) can claim a tax deduction for personal contributions made into super, not just the self-employed.

**After-tax** includes 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.

## Catch up on Concessional Contributions

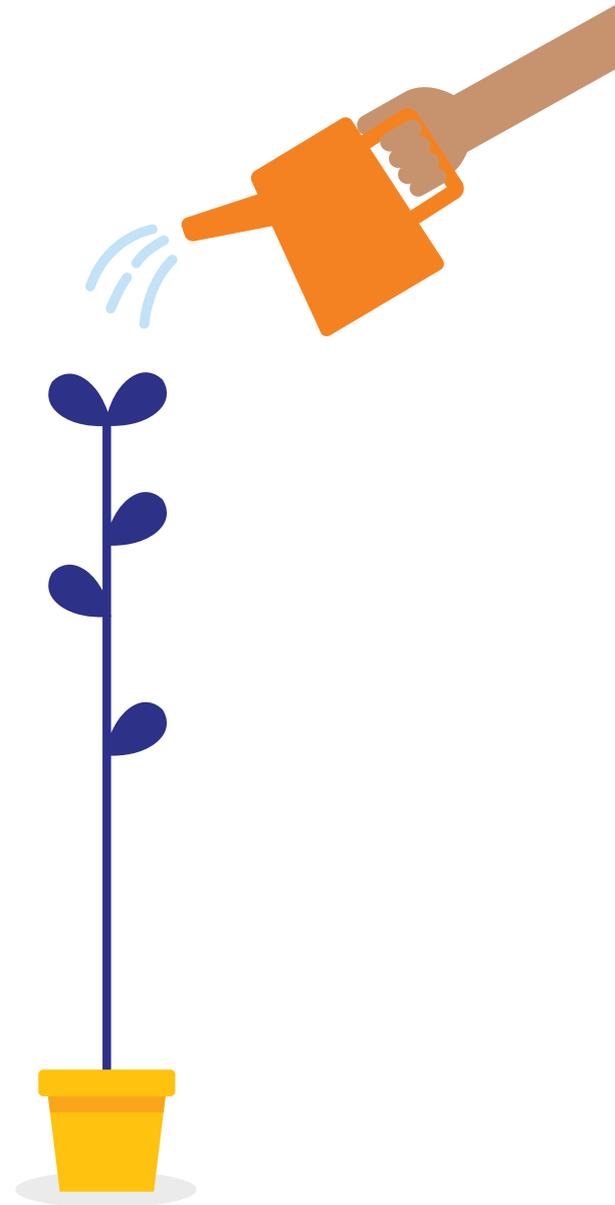
From 1 July 2018 if you have a total superannuation balance of less than \$500,000 on 30 June of the previous financial year (this includes your AustralianSuper account and other super accounts held in your name), you may be entitled to contribute more than the general concessional contributions cap 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 account each year.



## Remember to tell us your TFN

If you don't tell us your 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.



## 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
<b>Before-tax (concessional), earning less than \$250,000 a year</b> 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.
<b>Before-tax (concessional), earning more than \$250,000 a year</b> 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.
<b>After-tax (non-concessional)</b> 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 below. 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%†.
<b>Government co-contribution</b>	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 <a href="http://australiansuper.com/CoContributions">australiansuper.com/CoContributions</a>

\*Plus Medicare levy.

† Includes Medicare levy.

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

Once you reach age 65, to add to your super yourself, you will 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 and Award payments if you're eligible.

## 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](http://www.ato.gov.au)

## Contact us

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