

Tax and super

Super is a tax-effective way to invest and save for retirement

Most of us will pay less tax on money we put into super and if you access your super after age 60, you'll pay no tax on your super benefit.

How is super taxed?

Super is taxed in three different ways:

- › when you make a before-tax contribution
- › on investment earnings, and
- › when you withdraw super.

Tax when you contribute to super

Not all of the money contributed to super is taxed – it depends how the money has been taxed before it goes into the fund. Some super funds – like some Government or public sector funds are untaxed funds.

If you have super in an untaxed fund, there's no tax payable on your super contributions but you will pay additional tax when you withdraw your super. AustralianSuper, like most other funds, is a taxed fund, and all before-tax contributions are taxed when we receive them.

Tax for high-income earners?

If you're a high-income earner with an adjusted taxable income of more than \$250,000 a year, the tax on your before-tax contributions is 30%.

If your income is less than \$250,000 a year, but by including your before-tax contributions the total is more than \$250,000, the 30% tax rate will apply to the part of your before-tax contributions that are over \$250,000.

For example, if your income is \$230,000 and your before-tax contributions are \$25,000, you only pay the 30% tax rate on \$5,000.

Tax deductions: are you eligible?

You might be eligible to claim a tax deduction on the money you've contributed to super if you are:

- › under 65, or
- › aged between 65 and 74 and meet the work test.

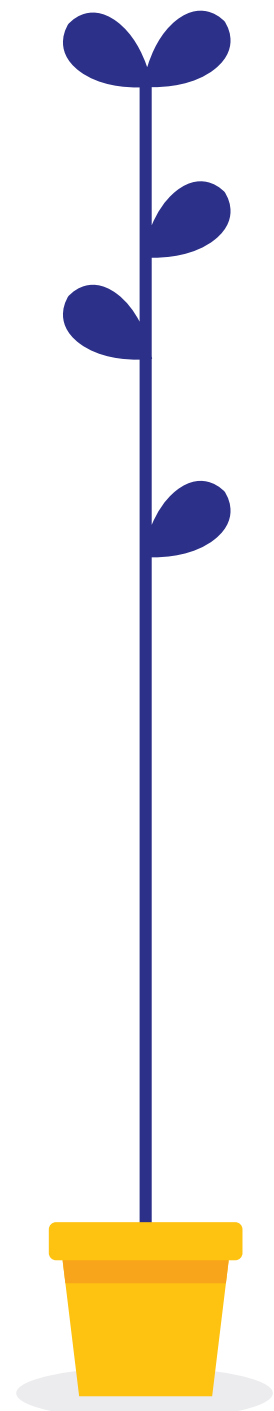
To access the tax deduction, you'll need to lodge a notice of intention to claim the deduction with AustralianSuper before you lodge your income tax return.

You can choose how much of your contribution to deduct.

If you think you're eligible to claim a tax deduction for your super contributions visit australiansuper.com/forms

If you'd like more information, 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 form that is provided as part of this fact sheet.

If you need more information you could also visit the Australian Taxation Office (ATO) website at ato.gov.au/super



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 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 but will be taxed at your marginal tax rate†, plus an interest charge. 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. Your before-tax contributions are taxed at 30% if you earn more than \$250,000 a year. Any amounts over the \$25,000 limit will be taxed at your marginal tax rate*, less a 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 but will be taxed at your marginal tax rate†, plus an interest charge. 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 up to allowable limits	If you have \$1.6m or more in your super account, you can't make after-tax contributions. A \$100,000 limit applies to contributions made from after tax sources. No tax is payable on amounts up to \$100,000 a year (or \$300,000 over three years if certain conditions are met. The three-year period automatically starts from the first year that you add more than \$100,000 after tax to your super). 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 \$51,813‡. 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.

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



Tax on investment earnings and withdrawals

Tax is payable on your investment earnings in super and if you're under age 60 and you withdraw your super, having met a superannuation condition of release.

What	Tax rate	Details
Investment earnings	Up to 15%	The tax is deducted from investment earnings (along with investment management fees) before the crediting rate is determined. No tax is deducted from the crediting rates of Choice Income members unless members are using a transition to retirement strategy in which case up to 15% tax applies.
(If you're age 60 and over) Income streams (pensions) and lump sum withdrawals from AustralianSuper	No tax payable	Both cash lump sum withdrawals and any retirement income payments you receive will generally be tax-free.
Lump sum withdrawals from AustralianSuper (if you're under age 60)	<p>Tax-free component</p> <ul style="list-style-type: none"> › No tax payable <p>Taxable component</p> <ul style="list-style-type: none"> › Under your preservation age: 22% tax* › Between your preservation age and age 59: the first \$200,000 is tax-free. The balance is taxed at 17%† 	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 at australiansuper.com or call us on 1300 300 273 .
Income streams (pensions) from AustralianSuper (if you're under 60)	<p>Tax-free component</p> <ul style="list-style-type: none"> › No tax payable <p>Taxable component</p> <ul style="list-style-type: none"> › Under your preservation age: marginal tax rate‡ › Between your preservation age and age 59: marginal tax rate‡ less a 15% tax offset 	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 at australiansuper.com or call us on 1300 300 273 .

* Or marginal tax rate for an income stream.

† Or marginal tax rate less 15% tax offset for an income stream.

‡ Plus medicare levy.

Remember to tell us your Tax File Number

To get the benefit of super tax savings or be eligible for the Government co-contribution, you must give us your Tax File Number (TFN). If you don't give us your TFN, you'll pay 47% tax (including the Medicare levy). Log in to your account at australiansuper.com



Contact us

Call **1300 300 273**
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