

Add to your super and retire with more

For many, Superannuation Guarantee contributions made by your employer won't provide enough money for a comfortable retirement. Most of us will need to add to our super to enjoy the lifestyle we had while working.

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

If you're a low to middle income earner, the Government will give you money if you add to your super from your after-tax pay. This is called a co-contribution.

To qualify, you need to earn less than \$51,813 and the Government will match 50 cents for every \$1 you add to your super, to a maximum of \$500.

Find out if you qualify at:

australiansuper.com/CoContributions

Find the best way to add to your super

Use our Contributions Adviser calculator at australiansuper.com/calculators

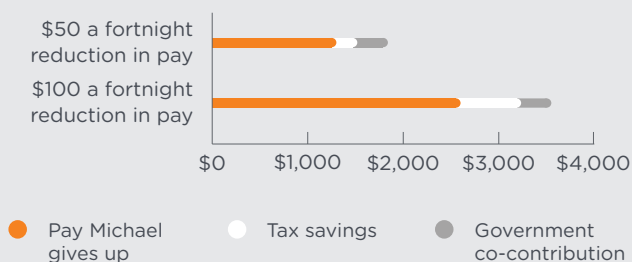


What's the best way to add to your super?

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

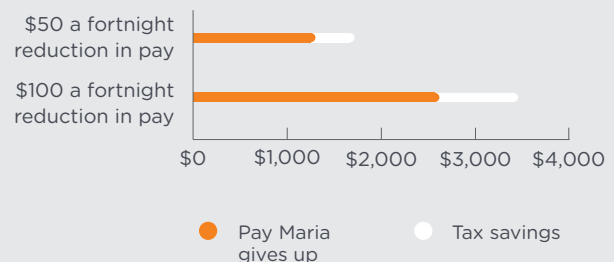
Michael adds to super, saves tax and gets a bonus Government co-contribution

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 \$200 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 \$620 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 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.

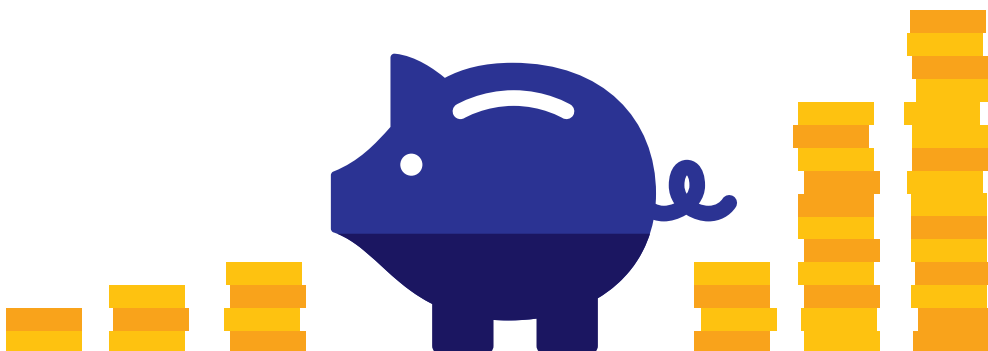
† Includes Medicare levy.

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

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. Proposed legislation is subject to change and may pass in an amended form, please contact one of our financial advisers for up to date information.



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.

*Registered to BPAY Pty Ltd ABN 69 079 137 518.

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

To be eligible for the Government co-contribution, you must include your Tax File Number with your after-tax super contribution.



Contact us

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

Web australiansuper.com

Mail GPO Box 1901, MELBOURNE VIC 3001

Email australiansuper.com/email



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