

FACT SHEET

The Super Co-Contribution

The Super Co-contribution is a Government initiative to encourage individuals to contribute to their superannuation over and above the Superannuation Guarantee (SG). Designed for low and middle income earners, the Government may make an additional super contribution to your super fund to boost your retirement savings.

The amount of the Co-contribution depends on how much you contribute to super as a non-concessional contribution and your level of income.

The income thresholds for the Superannuation Co-contribution are:

Year	Maximum Entitlement	Lower Income Threshold	Higher Income Threshold
2015 – 16	\$500	\$35,454	\$50,454
2016 – 17	\$500	\$36,021	\$51,021
2017 – 18	\$500	\$36,813	\$51,813

Other Eligibility Requirements

To be eligible for the co-contribution you must, in that financial year:

- Have more than 10% of your assessable income plus Reportable Fringe Benefits (RFB) come from eligible employment. If you are self employed see below;
- Make a personal (non concessional) contribution to a complying superannuation fund or Retirement Savings Account (RSA);
- Not hold an 'eligible temporary resident visa' at any time during the particular financial year;

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- Lodge a tax return for that year; and
- Be aged less than 71 years at the 30th of June in that year.

You must also supply your Tax File Number (TFN) to your super fund or RSA to be able to make a personal contribution and receive the co-contribution. Also, if your super fund does not have your TFN, then your contributions and earnings on your member account could be subject to a penalty of 30% plus Medicare Levy. If you do not have a TFN you can apply on the Australian Taxation Office (ATO) website at www.ato.gov.au or by visiting a participating Australia Post outlet to complete an application. To locate participating Australia Post outlets visit www.austpost.com.au and search for ATO individual TFN services.

Calculating the Contribution

The amount of the co-contribution payable is the lesser of:

The amount of your contribution x 50%

OR

$\$500 - \{(your\ total\ assessable\ income^* - lower\ income\ threshold) \times 0.033333\}$

Note: If the co-contribution entitlement is greater than \$0 and less than \$20 a co-contribution of \$20 will be made.

3/26 Bougainville Street
Manuka ACT 2603

Phone 1300 020 110

fid@nationalseniors.com.au

fid.org.au



* Your total assessable income is determined by calculating your:

- Income from eligible employment-related activities plus,
- Business and other income plus,
- RFB and reportable superannuation contributions minus,
- Allowable business deductions.

Self-Employed or Unsupported Contributions

If you are self-employed, the same eligibility rules as above apply except for the 10% employment rule. Instead, to be eligible for the co-contribution, 10% or more of your total income must come from eligible employment, running a business or both.

For the self-employed, your total income is assessable income before deductions plus RFBs and reportable employer super contributions (i.e. including SG and salary sacrifice).

How to Make a Contribution

If you make your personal contribution, you can do it via a direct deposit, electronic funds transfer and, in some cases, via BPay. You will need to check with your superannuation fund. Alternatively, your employer may make the contribution on your behalf by way of a deduction from your after tax income.

The amount of your post tax contributions received by your complying superannuation fund or RSA account in the financial year (as at 30 June) is used in the calculation of the co-contribution amount.

You do not have to make the contribution as a lump sum. Instead you may choose to make fortnightly or monthly instalments, just as long as the amount is credited to your account by 30 June.

Please note: personal contributions are made from your after tax income, while salary sacrifice contributions to super come from you before tax income.

Receiving the Super Co-Contribution

You do not need to apply for the co-contribution. Once you make a personal contribution and meet the above requirements, your super fund will report your personal contribution to the Australian Taxation Office (ATO) who will calculate the co-contribution. Co-contributions are usually paid between November and January in the following financial year to which the payment relates. If you no longer have an eligible super account to accept the co-contribution, for example due to retirement, you can make a claim for direct payment with the ATO or via the MyGov portal.

The super co-contribution itself is not taxed, however any amounts earned on the co-contribution will be subject to the super fund's tax rate.

Missing Super Co-Contributions

If you do not receive the co-contribution and you believe you are entitled to it, first double check that you met the requirements and then contact the ATO on 13 10 20, or write to the ATO to request a review of the decision at:

Superannuation
Australian Taxation Office
PO Box 3100
PENRITH NSW 2740

