Super contributions

1 July 2024

All our forms and publications are available at **spiritsuper.com.au/forms** or call us on **1800 005 166**, and we'll send you a copy.

Under super laws, employers must contribute a percentage of your salary into a super fund. Your super fund will then invest this money in assets like shares, bonds, property and infrastructure to help it grow.

You can also boost your super by making extra contributions to your account, such as salary sacrifice or personal contributions.

Generally, you can't access super until you reach 60 years of age and permanently retire. Once you're eligible, you can access your super as a lump sum, regular income (also called a pension), or a combination of both — whatever suits your lifestyle. Read our *Access your super* fact sheet for more information.

Who can contribute to super?

There are many types of super contributions to help your super grow. How and when you can make contributions depends on your age and total super balance .

Your age	Contribution types accepted
Under 55	All contribution types accepted, except downsizer contributions.
55–74[1]	All contribution types accepted.
75[1] or older	Only compulsory employer contributions and downsizer contributions accepted.

[1]If you're turning 75, any contributions you make, other than compulsory employer and downsizer contributions, must be received by us no later than 28 days after the end of the month that you turn 75.

You must provide us with your tax file number (TFN) to make personal contributions and for us to receive spouse contributions for you.

Total super balance

Your 'total super balance' (across all super funds you participate in) impacts your eligibility to make some types of super contributions or to make contributions without incurring extra tax. It's generally worked out by adding together:

- all your super accounts at the end of the previous financial year plus
- any income streams that you hold in the retirement phase at the end of the previous financial year and
- amounts being transferred between super funds on 30 June.

Any personal injury or structured settlement contributions that have been paid into your super funds should be deducted from your total super balance.

Contribution types

Super contributions are generally either before-tax (concessional) contributions or after-tax (non-concessional) contributions. The main difference is when you can make them and how they're taxed.

Before-tax (concessional) contributions include:

- employer contributions, including super guarantee (SG) and other compulsory employer contributions
- salary sacrifice contributions (which are also employer contributions)
- personal contributions you've successfully claimed a tax deduction for.

Before-tax contributions are generally subject to a tax rate of 15%. This is called a 'contributions tax'.

However, if your combined income and before-tax contributions go over $250,000 a year, you may pay an extra 15% on some or all of your before-tax contributions, as advised by the Australian Taxation Office (ATO).

Contributions tax is deducted from your account when employer contributions and salary sacrifice contributions are received. It's also deducted when you claim a tax deduction for personal contributions you've made.

If you earn $37,000 or less you may be eligible to receive some or all of this tax back with the government's low income super tax offset. See page 3 for more information.

You can check how much contributions tax has been deducted from your account in **Member Online** and on your statements.

After-tax (non-concessional) contributions include:

- personal contributions you haven't claimed a tax deduction for
- spouse contributions.

Generally, you don't pay any contributions tax on after-tax contributions (as you or your spouse already paid income tax on these amounts).

We must have your TFN to receive personal and spouse contributions for you, and your total super balance (across all funds you participate in) must be less than $1.9 million at 30 June 2024 for these contributions to be made in 2024-25 without paying extra tax.

For more details about tax, read our *How super is taxed* fact sheet, contact the ATO on **13 10 20** or visit **ato.gov.au**.

There are caps on how much you can contribute to super. If you go over these caps, you may pay extra tax. These are detailed in *Contribution caps* on page 4.

Employer contributions (compulsory)

If you're over 18, or under 18 and work more than 30 hours each week, your employer must pay a percentage of your earnings to a complying super fund on your behalf. These are called SG contributions and must be paid at least every quarter.

The current minimum SG rate is 11.5%. This rate will stay in place until 30 June 2025, before increasing to 12% on 1 July 2025.

In addition to SG contributions, your employer may be required to pay contributions under an award, industrial agreement or employment contract.

There's a limit on the income that your employer must pay SG contributions on. This is called the maximum contribution base. For 2024-25 this base is $65,070 a quarter. If your ordinary time earnings are over $65,070 in a quarter, your employer doesn't have to pay SG contributions for earnings above this limit (unless required under an award or agreement).

Most people can choose which super fund to join, though sometimes your fund is determined by the terms of your employment.

When you start a new job, you can tell your employer which fund you want your super paid into. If you don't tell them, they'll check with the ATO to see if you already have a super account into which your employer's contributions must be paid (referred to as your 'stapled fund'). If you do, they'll pay your super into that account. If you don't have an existing super account, the employer will open a new one for you with their nominated MySuper authorised default super fund. You'll stay with your stapled fund for the rest of your working life unless you choose to change funds (which you can do at any time).

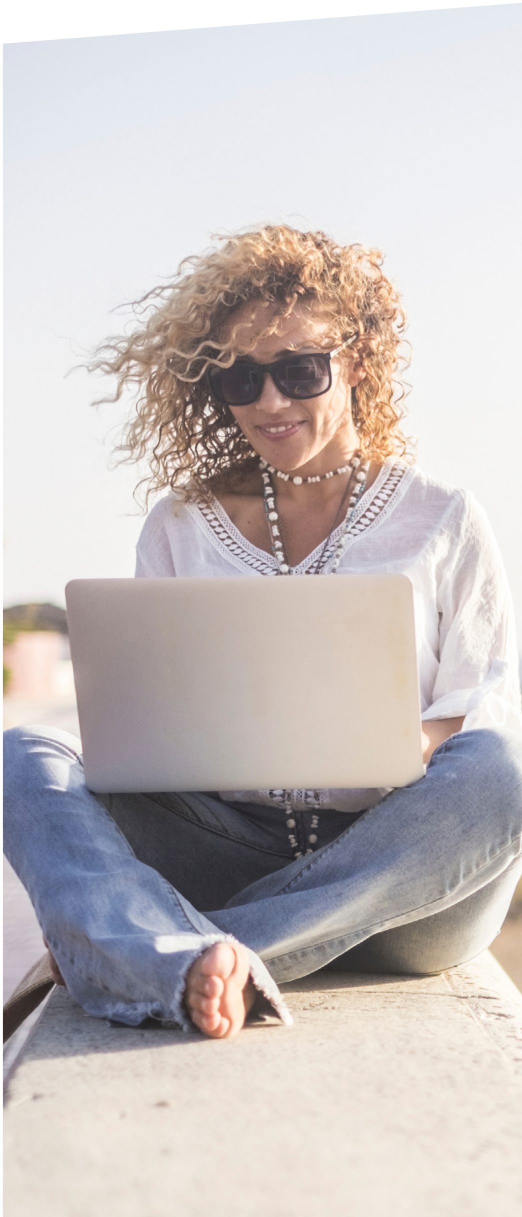
Salary sacrifice contributions

With salary sacrifice, you have an arrangement with your employer to pay some of your before-tax income into your super, in addition to the usual SG contributions.

The two main benefits of salary sacrificing are:

1. your super grows faster with the extra super contributions
2. you may pay less tax - a salary sacrifice arrangement reduces your taxable income, meaning you may pay less tax on your income. Generally, salary sacrifice contributions are subject to a 15% tax rate instead of your marginal income tax rate.

You should check with your employer to see if they offer salary sacrifice arrangements. For details, read our *Salary sacrifice and super* fact sheet.



Personal contributions

Personal contributions are voluntary payments made from your take-home pay or savings. These can be one-off payments or regular payments.

You may be eligible for a government co-contribution if you don't claim a tax deduction. Income limits and eligibility criteria apply.

The easiest way to make personal contributions to super is through BPAY®. You can find your biller code and reference number in **Member Online** and in your *Member statements*.

Please note personal and spouse contributions have different biller codes and reference numbers, and we don't accept BPAY payments from a credit card. The maximum amount you can contribute in a single payment using BPAY is $120,000.

You can also make personal contributions via cheque. Make your cheque payable to 'Spirit Super' and attach a completed *Make a super contribution* form.

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Claiming a tax deduction for personal contributions

If you make personal contributions to your account, you may be eligible to claim a tax deduction for some or all of these amounts.

Any personal contributions you successfully claim a tax deduction for will count towards your before-tax (concessional) contributions cap. You'll also have to pay contributions tax on the amount you've claimed a deduction for – this will be deducted from your account once your tax deduction claim has been accepted by us.

You can't receive a government co-contribution for personal contributions you've claimed a tax deduction for.

If you're 67 or over but under 75, you'll need to satisfy the work test if you want to claim this tax deduction. This means you must work for at least 40 hours in a consecutive 30-day period during the financial year that you made the personal contributions.

The ATO will administer the work test at the time you lodge your income tax return.

You may be able to access a limited exemption to the work test if you:

- satisfied the work test in the financial year before the year in which you made the contribution
- had a total super balance (across all funds you participate in) of less than $300,000 on 30 June of the previous financial year
- haven't used the work test exemption previously.

For more details, including what's required to successfully claim a tax deduction, read our *Claiming tax deductions for contributions* fact sheet.

Spouse contributions

A spouse contribution is an after-tax contribution made into the super fund of an eligible spouse (including a de facto partner). It's a great way for partners to help grow each other's super, particularly if one partner takes a break from work or earns much less than the other.

It can also have tax benefits. If the spouse receiving the contribution earns less than $40,000, the spouse making the contribution may be eligible to claim a tax offset of up to $540 on some or all the money they contribute on their partner's behalf.

Conditions apply. For details, read our *Boost your spouse's super* fact sheet.

Contribution splitting

Like spouse contributions, contribution splitting allows couples to help boost each other's super. With contribution splitting, you can transfer up to 85% of your eligible before-tax contributions into your spouse's super to boost their retirement savings (or vice versa).

Conditions apply. For details, read our *Boost your spouse's super* fact sheet.

> **Spouse contributions VS contribution splitting?**
>
> Spouse contributions are made from after-tax money (such as savings) into a partner's account. Contribution splitting involves moving before-tax contributions from a person's super account into their spouse's super account. Contribution splitting doesn't qualify for a tax offset.

Downsizer contributions

If you're 55 or over and sell your family home, you may be able to contribute up to $300,000 of the sale proceeds into super. You or your spouse must have owned your home for at least ten years, and further conditions apply.

For details, read our *Thinking of downsizing your home?* fact sheet.

Government contributions

Co-contributions

If you earn less than $60,400 in the 2024-25 financial year, the government may help boost your super.

For every $1 you contribute from your after-tax earnings (up to $1,000 each financial year), the government may contribute up to 50 cents. That's up to $500 extra in your super each year.

The maximum $500 co-contribution is only available if your relevant earnings are equal to or below $45,400 in the 2024-25 financial year.

Conditions apply. For more details, read our *Boosting your super with government help* fact sheet.

Low income super tax offset (LISTO)

If you earn $37,000 or less in a financial year, you could be eligible for a LISTO payment from the government.

It's a reimbursement of any contributions tax (minimum of $10 and up to a maximum of $500 for each financial year that you're eligible for a LISTO payment) paid on your before-tax super contributions.

Conditions apply. For details, read our *Boosting your super with government help* fact sheet.

Re contribution of COVID-19 early release amounts

If you withdrew money from your super under the COVID-19 early release of super program in 2020, you can re-contribute this amount back into super as a personal after-tax contribution without it counting towards your after-tax contributions cap.

To re-contribute early release payments into your super:

1. Fill out and send us a *Notice of re-contribution of COVID-19 early release amounts* form (NAT 75394) available at **ato.gov.au** before or when you make the payment.
2. Make a personal contribution to your account.

For your contribution to be counted as a COVID-19 early release re-contribution, you must fill out this form every time you make a re-contribution (before or when you make the payment). If you don't, your contribution will count towards your after-tax (non-concessional) cap.

The re-contribution will count towards your transfer balance cap (this is a lifetime limit on the total amount of super that can be transferred into retirement phase income streams) and your total super balance when they're recalculated to include all your contributions on 30 June at the end of the financial year. Re-contributions can be made until 30 June 2030, and can't exceed the total amount of super you accessed under the COVID-19 early release program. You can't claim a tax deduction for personal contributions made as a COVID-19 re-contribution.

Personal injury payments

You may be able to contribute some or all of an eligible personal injury payment, otherwise known as structured settlements, to super without it contributing towards your after-tax (non-concessional) cap.

Eligible payments may include:

- a payment made under a written settlement agreement regarding a claim for damages for personal injury or a court order for such a claim
- a workers compensation payment taken as a lump sum.

You must notify us before or when you make the contribution using the ATO's *Contributions for personal injury election* form (NAT 71162).

Time limits and conditions apply. For more information, contact the ATO on **13 10 20** or visit **ato.gov.au**.

Capital gains tax cap elections

If you make a personal super contribution using the capital proceeds of the sale of certain small business assets, you can elect to exclude them from your after-tax (non-concessional) cap.

You can only do this when one of the following capital gains tax (CGT) concessions applies to you:

- **the small business 15-year exemption** – a total exemption for a capital gain on a CGT asset if you've continuously owned the asset for at least 15 years
- **the small business retirement exemption** – an exemption for capital gains up to a lifetime limit of $500,000 (reduced by any previous CGT exempt amounts you have had disregarded under the retirement exemption).

The conditions and the other eligibility rules for the small business CGT concessions are complex. You may need to seek professional advice.

You must check you're eligible before making this election, and you need to notify us before or when you make the contribution using the ATO's form.

For more information, contact the ATO on **13 10 20** or visit **ato.gov.au**.

Contribution caps

There are limits to how much you can contribute to super each financial year. These are known as contribution caps. There are two caps to be aware of: a before-tax (concessional) cap and an after-tax (non-concessional) cap. If you go over these caps, you'll generally pay extra tax.

Type of contribution	Contributions cap 2024-25
Before-tax (concessional)	$30,000
After-tax (non-concessional)	$120,000[2]

[2]You can't make any after-tax contributions in 2024-25 without incurring extra tax if your total super balance (across all funds you participate in) was $1.9 million or more at 30 June 2024.

Contribution caps apply to the total of all your super accounts (across all super funds you participate in). If you have more than one account, you need to add up the contributions you've made across all accounts to see if you've stayed under the caps. You should check with your other funds, even if they've been transferred to Spirit Super since the contributions were made.

Read our *How super is taxed* fact sheet or call us on **1800 005 166** for more details about tax on contributions and treatment of excess contributions.

Carry-forward of unused before-tax contributions

If you had less than $500,000 in super (your 'total super balance' across all funds you participate in) at the end of the previous financial year, and you didn't use all your before-tax (concessional) caps in any financial year since 1 July 2019, you may be able to contribute more than the general concessional contributions cap and make additional concessional contributions for any unused amounts carried forward from prior years. This is a great option if you have irregular income and need to put more super in on some years but not others.

Unused carry-forward amounts expire after five years.

For example:

If you made before-tax contributions of $17,500 in the 2023-24 financial year, you can 'carry forward' the unused $10,000 from the $27,500 before-tax (concessional) cap that applied in 2023-24.

This means that you can make before-tax contributions of up to $40,000 in 2024-25 (ie you can use the full $30,000 cap for 2024-25 as well as the $10,000 carried forward from 2023-24).

Bring forward rule for after-tax contributions

If you're under 75 at any time during the financial year and your total super balance (across all funds you participate in) was less than $1.9 million at 30 June 2024, you may be able to bring forward up to two years' worth of after-tax contributions in 2024-25.

If eligible, you could contribute up to three times the annual after-tax (non-concessional) cap in one year (but less in future years).

This could come in handy if you've reached your after-tax cap but have extra cash you want to put into super, such as an inheritance or proceeds from the sale of a large asset.

The 'bring-forward rule' is automatically triggered when your after-tax contributions exceed the relevant cap in a financial year.

If you contribute the full bring-forward amount (three times the annual limit) in the first year of the three-year period, you won't be able to make any after-tax contributions in the next two years.

Your total super balance determines your after-tax contribution cap and the bring-forward period you can use if you trigger the bring-forward rule for the first time in 2024-25 (see the table below).

Total super balance as at 30 June 2024	After-tax (non-concessional) contribution cap	Bring-forward period
Less than $1.68 million.	$360,000	3 years.
$1.68 million to less than $1.79 million.	$240,000	2 years.
$1.79 million to less than $1.9 million.	$120,000	No bring-forward period, the after-tax (non-concessional) contribution cap applies.
$1.9 million or more.	$0	Bring forward not available.

If your total super balance was $1.9 million or more at 30 June 2024, you can't make any after-tax contributions in 2024-25 without incurring extra tax. However, a downsizer contribution (see page 3) may still be made.

If you've triggered the bring-forward rule before 1 July 2024, the amount (if any) you can contribute in 2024-25 will be different, depending on your circumstances.

What doesn't count towards the caps

The following contributions don't count towards your contribution caps:

- co-contributions
- LISTO
- rollovers
- downsizer contributions
- first home super saver scheme withdrawals that have been recontributed due to failure to purchase a home
- contributions arising from proceeds of certain personal injury settlements
- sale proceeds and/or capital gains from certain disposals of qualifying small business assets up to the capital gains tax cap
- eligible re-contribution of COVID-19 early release amounts.

Excess contributions

If your super contributions in a financial year exceed the applicable contributions caps, you may need to pay additional tax. The ATO will let you know how to do this.

Read our *How super is taxed* fact sheet or call us on **1800 005 166** for more details about tax on contributions and treatment of excess contribution.

You should keep an eye on your super contributions to make sure you don't go over the contributions caps and have to pay more tax.

Need advice?

We love helping you understand and maximise your super. That's why we provide access to general information, education and personal (intra-fund) advice on your Spirit Super account at no extra cost.

Go to **spiritsuper.com.au/get-advice** for more details.

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