



Contributing to super

Fact sheet

Making extra contributions to your super account is a great way to help you reach your retirement goals.

There are two types of extra contributions you can make:

- **before-tax** (or concessional) contributions
- **after-tax** (or non-concessional) contributions.

Before-tax contributions

Money going into your super account is generally taxed at a lower rate than money that goes into your bank account each payday. So adding extra to your super from your salary before tax is taken out can mean you pay less income tax while boosting the money in your super account. These extra contributions are called concessional, or before-tax contributions.

Before-tax contributions include the Superannuation Guarantee (SG) contribution your employer makes for you, other employer contributions above the SG, and any voluntary salary sacrifice payments you make.

Your SG contributions

If you're eligible for super, by law your employer has to pay into your super account. This contribution is called the Superannuation Guarantee (or SG). The amount of SG your employer pays is set by the government. Right now, the SG is 9.5% of your salary - this will go up to 12% of your salary by 2025.

Contributions calculator

To see how making additional before or after-tax contributions could boost your super, explore our contributions calculator at rest.com.au/calculators

Salary sacrifice

Salary sacrifice means your employer pays some of your before-tax salary (on top of the SG) into your super account, rather than paying it to you as your take-home pay.

Because your salary sacrifice contributions are taxed at only 15% (which can be a lot less than your personal rate which can be up to 47%), this can mean more super savings (and less tax paid) for you. Not all employers offer salary sacrifice arrangements, so check it out with them first.

If your employer doesn't offer salary sacrifice, you may still enjoy the same advantages by claiming a tax deduction on your after-tax contributions.

If you've made an after-tax contribution, you'll just need to send Rest a 'Notice of intent to claim a deduction for personal super contributions' form.

You can find this form, and all the details about eligibility and when to claim, at ato.gov.au. We'll take out the 15% tax and you can then claim the deduction when you do your tax return.

Super tips

Use MemberAccess for 24/7 online access to your Rest account. In MemberAccess you can:

- give Rest your Tax File Number so your before-tax contributions won't be taxed at a higher rate, and we can accept your after-tax contributions
- keep an eye on your contributions to see if you're getting close to your limits.

Registering for MemberAccess at rest.com.au is easy - you'll just need your member number.

After-tax contributions

You can also add some extra to your super after tax has been taken out of your pay. This is called a non-concessional or after-tax contribution. As you've already paid tax on this money, it isn't taxed again. After-tax contributions include personal contributions and spouse contributions.

Personal contributions

You can make regular after-tax contributions, or make a payment in one go – it's up to you. Just use one of our convenient contribution methods such as BPAY®, or direct debit from your bank account or through your employer. If you make an after-tax contribution and earn less than \$51,813 (for 2017-18), you may also be eligible for a co-contribution from the government. Visit rest.com.au/co-cont to learn more.

Spouse contributions

If your spouse earns less than \$40,000 per annum and you make a voluntary contribution into their super, you may be eligible to receive a tax offset for that contribution. To receive the maximum offset of \$540 per financial year, your spouse would need to be earning less than \$37,000 per annum, and you would need to make a \$3,000 contribution to their super.

If your spouse earns between \$37,000 and \$40,000 you may still be eligible for the offset, but won't receive the maximum amount.

Bring it forward

If you want to make a larger contribution to your super in one financial year, you can add the equivalent of three years after-tax contributions into your super in one year – this is known as the bring-forward rule. This means that you could make an after-tax contribution of \$300,000 in one year. If you do this, you won't be able to make any more after-tax contributions for the next two financial years.

You need to be under age 65 and have a total super balance of less than \$1.6 million in the previous financial year to use the bring-forward rule.

Over 65?

If you're aged between 65 and 74, you'll need to meet a condition called the 'work test' to salary sacrifice, make after-tax contributions or claim a tax-deduction on after-tax contributions.

The work test requires that you've worked at least 40 hours within 30 consecutive days in the financial year.

If you're over 75, you're not able to salary sacrifice, make after-tax contributions or claim a tax deduction on your after-tax contributions.

Know your limit

There are limits (or caps) on how much you can contribute to your super before or after tax.

Before tax - \$25,000 per financial year (includes all before-tax contributions including the SG)

After tax - \$100,000 per financial year (if your total super balance is more than the eligibility limit -currently \$1.6 million - you can't make any after-tax contributions)

Remember, these limits apply to all your super accounts, so you'll need to add up the contributions you make to all the funds you have and count them towards the limit.

If you go over the limits, there may be tax penalties. Visit rest.com.au/facts for more information about what happens if you breach the limit.



Advice when you need it

Making a before or after-tax contribution to your super will depend on your circumstances, so you might like to have a chat with a financial adviser to help you decide.

Rest Advice is all about helping you make good decisions with your super. For more information about how Rest Advice can help, visit rest.com.au/advice or call us on **1300 300 778**.

If there's anything we can do

 rest.com.au

 **Live Chat at rest.com.au**

Monday to Friday 8am – 10pm and Saturday 9am – 6pm AEST

 **1300 300 778**

Monday to Friday 8am – 10pm AEST


Together towards tomorrow