

Super and saving for your first home



Rest

Fact sheet

Trying to save a deposit for your first home? The good news is that your super may be able to help.

Thanks to the government's First Home Super Saver Scheme (FHSSS), you could save for a deposit sooner by taking advantage of the special tax treatment your super savings enjoy.

Here's how it works

You're saving for your retirement with the Superannuation Guarantee (SG), the money your employer puts into your super for you. You can also add to your super by making your own **extra** voluntary contributions on top of the SG - either before-tax contributions like salary sacrifice, or personal after-tax contributions.

The First Home Super Saver Scheme lets you take out the **extra** eligible money you've put into your super since 1 July 2017 and use it as a deposit to buy or build your first home (limits apply).

Am I eligible?

You can use the First Home Super Saver Scheme if you:

- are aged 18 years or older
- are named on the title of the property you buy
- haven't previously owned property in Australia (if you've experienced financial hardship that resulted in the loss of all property interests, talk to the ATO as you may still be eligible)
- haven't previously received a release of your super savings under the First Home Super Saver Scheme.

How much can I save?

There is a limit of \$15,000 of eligible contributions per financial year, and a total limit of \$50,000 across multiple years, plus associated earnings. Any extra contributions you make to your super above these amounts will remain in your super until you retire or meet another condition of release. It is also important when making contributions that you are mindful of the relevant contribution caps.

Check out how much you could save towards your first home using our First Home Super Saver Scheme calculator. Just go to go.rest.com.au/FHSS-Calculator.



What can I withdraw?

You can withdraw voluntary contributions including:

- pre-tax contributions (salary sacrifice or personal deductible contributions)
- personal after-tax contributions.

You won't be able to withdraw:

- contributions made before 1 July 2017
- Superannuation Guarantee or other contributions under an award or enterprise agreement
- spouse contributions
- government contributions such as co-contributions
- contributions above government caps
- defined benefit contributions.

For a complete list of ineligible contributions, go to ato.gov.au and search for 'First Home Super Saver Scheme'.

How much can I withdraw?

You can withdraw up to:

- 100% of your eligible after-tax contributions
- 85% of your eligible before-tax contributions.

The amount you withdraw will also include any associated earnings calculated on your eligible contributions. The earnings rate is set by the ATO, and might be different to actual earnings.

What if I don't end up buying a home?

Sometimes plans change or don't work out. If you change your mind about using your super and have:

- 1. not made a request to release any funds**, the extra contributions you have made to super won't be accessible until you retire or meet a condition of release.
- 2. made a request but not yet received¹** any funds, you may be able to amend or withdraw your First Home Super Saver Scheme application. You can then reapply in the future if needed.
- 3. received requested funds**, you will need to either recontribute the money² to your super as an after-tax contribution (within 12 months from the date of your release request) and notify the ATO, or keep the released amount and pay additional First Home Super Saver Scheme tax - which is 20% of the assessable released amount.

Here's an example of how the scheme can help

Alexander and Vera have incomes of \$65,000 and \$55,000 and estimate that they can set aside \$6,400 (combined) from their pay after tax.

Instead of putting this money in a bank account, they decide to salary sacrifice \$5,000 per year each into their super. After six years of salary sacrificing, they have combined available savings of \$62,006³ in their super fund for a deposit under the First Home Super Saver Scheme.

By putting extra into their super, they've saved a combined \$18,231 more compared with contributing after tax income into a bank account with an interest rate of 4.5%.



What about tax?

Eligible after-tax contributions are released to you tax free. The ATO are responsible for the withholding of tax on the released amounts of eligible before tax contributions and associated earnings. This is taxed at your marginal rate, including the Medicare levy, less a 30% tax offset. Alternatively, the ATO will withhold 17% tax where they are unable to estimate your marginal rate. The ATO will send you a payment summary at the end of the financial year showing how much super was released to you and the amount of tax withheld. You must ensure these amounts are included in your tax return in the year you requested the First Home Super Saver Scheme amount.

Need advice about the First Home Super Saver Scheme?

It's a good idea to have a chat with a financial adviser. They can help you decide if the scheme's right for you, check your eligibility, look at how much tax you might save, and let you know about the tax implications if you don't use the money to buy your first home.

Get started and watch your voluntary contributions grow

To see how easy it is to make extra contributions to your super, visit rest.com.au/grow.

And you can check how your voluntary contributions are adding up in the Rest App. Go to rest.com.au/app to download and learn more.



¹ An amount under the First Home Super Saver Scheme is regarded as having been effectively paid to an individual once the ATO initiates the payment process, despite the individual not yet having received the funds.

² The total amount must be at least equal to the assessable FHSS Scheme released amount less any amounts that were withheld by the ATO.

³ Based on associated earning rate of 7.34% per annum.

How do I apply?

The below summary outlines how you release amounts under the First Home Super Saver Scheme:

1. You must have made eligible voluntary super contributions to your Rest account (subject to applicable caps)
↓
2. Request a First Home Super Saver Scheme determination from the Australian Taxation Office (ATO) via MyGov. You can request a determination on more than one occasion, but you can only request one release
↓
3. You make a release authority request from the ATO via MyGov
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4. Rest receives a release authority from the ATO and transfers the released amount to the ATO
↓
5. ATO withholds tax and makes payment to you – you must include the assessable First Home Super Saver release amount in your tax return for the financial year you requested the release (which may differ from the financial year you receive the FHSS amount)
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6. You must enter a contract to purchase or construct your first home no earlier than 90 days (from 15 September 2024) prior to, and within 12 months, after a valid withdrawal request is made
↓
7. You must notify the ATO within 90 days (from 15 September 2024) after entering a contract to purchase or construct your home
↓
8. You must move into your new home and live in it for at least 6 of the first 12 months after you've moved in

For a detailed outline of the process, please visit ato.gov.au and search for First Home Super Saver Scheme.

Visit us
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contact-us](https://rest.com.au/contact-us)
for operating
hours



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