



Downsize your home and upsized your super

Fact Sheet

Over 55? Thinking of selling your home now the kids have left? Wanting to boost your super so it lasts the distance in retirement? Say hello to the government's downsizer incentive.

Here's how it works

The family home is often our biggest investment. But many baby boomers head into retirement asset rich and cash poor – with all their money tied up in their home and not much left over to enjoy the kind of retirement lifestyle they'd like.

The government's downsizer initiative lets you sell your home and put some of the proceeds into your tax-effective super account, regardless of how much you already have in super.

It helps older Australians free up their hard-earned funds to enjoy retirement. And it helps younger Australians get into the housing market by freeing up housing stock.

But don't hang up your lawnmower just yet. Downsizing won't be for everyone, and it's important to know the rules and how they might affect you.

Am I eligible?

You can make a downsizer contribution to your super if:

- you're aged 55 or over (and it doesn't matter if you're working or not – you don't need to pass a work test to be eligible)
- your home is in Australia, and isn't a houseboat, caravan or mobile home

- you (or your spouse) have owned the home for at least 10 years prior to the sale
- the amount you are contributing is from the proceeds of selling your (or your spouse's) home
- your home was at one time the main residence of you or your spouse for tax purposes¹
- you haven't previously made a downsizer contribution from the sale of another home
- you provide your completed 'Downsizer contribution into super' form (available at rest.com.au/forms) either before or at the time of making your downsizer contribution.

How much can I contribute?

- up to \$300,000 as an individual
- up to \$600,000 as a couple, if you and your spouse both qualify (each separately making an individual downsizer contribution).

Just remember, the contribution can't be more than the total sale proceeds from your home.

How long do I have to make a downsizer contribution?

Your downsizer contribution needs to land in your super account within 90 days of receiving the proceeds from the sale of your home (generally the settlement date). If you can't make this date due to things out of your control, have a chat with the ATO about applying for an extension of time.

¹ A pre-CGT home may also qualify for the downsizer contribution. You might like to have a chat with your tax specialist about this.

Age Pension and the downsizer contribution

Your home is usually an exempt asset for Age Pension purposes. No Centrelink concessions apply for the amount contributed under the downsizer contribution. So it's important to think about how selling your home and contributing to your super might impact your Age Pension.

How do I apply?

Most Rest members just need to:

- complete the 'Downsizer contribution into super' form available at rest.com.au/forms
- send the form (by email or post) and your contribution (by BPAY® or cheque) to us. If you're making more than one contribution, you'll need a form for each separate contribution. It's also important that we receive your form either before or at the same time as your downsizer contribution.

We'll add your downsizer contribution into your Rest account, and report it to the ATO. We'll let you know when the ATO confirms whether or not it's a valid contribution.

Rest Pension members

The application process is a little different for Rest Pension members. If you only have a Rest Pension Retirement account, we'll open a Rest Super account for you to accept your downsizer contribution (if you don't already have one). You can then either transfer the Rest Super amount to an additional Rest Pension account, or consolidate your current Rest Pension account with the contribution into a new Rest Pension account. This may have Centrelink impacts so we recommend obtaining personal financial advice.



Some extra things you'll need to know

- you can only make a downsizer contribution for the sale of one home.
- your downsizer contribution isn't counted as a non-concessional contribution, so it won't count towards your contribution caps.
- your downsizer contribution will count towards your transfer balance cap which applies when your super savings move into retirement phase. Visit rest.com.au/facts to see the balance cap for the current financial year.
- you can find more information about the downsizer initiative and eligibility criteria at ato.gov.au/downsizing



Need advice about making a downsizer contribution?

Downsizing won't be for everyone and there are some additional rules and implications to think about, so you might like to have a chat with a financial adviser. They'll be able to help you decide if the scheme can help you, check your eligibility, and discuss the retirement, tax and Centrelink implications of making a downsizer contribution.

Rest Advice is all about helping you make decisions about your super today.

To learn 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, Saturday 9am – 6pm
and Sunday 10am – 6pm AEST

 **1300 300 778**
Monday to Friday 8am – 8pm AEST

 **Download the Rest App**



Rest Advice is provided by Link Advice Pty Ltd ABN 36 105 811 836, AFSL 258145 (Link Advice). Rest Advisers are staff members of Rest and provide advice as authorised representatives of Link Advice. Rest Digital Advice is provided by Link Advice. This information has been prepared without taking account of your objectives, financial situation or needs. Before acting on the information or deciding whether to acquire or hold a product, consider its appropriateness and the relevant PDS and Target Market Determination available at rest.com.au/pds

The cost of providing financial services is included in the fees as disclosed in the relevant PDS. Rest and the Fund do not charge additional fees or obtain commissions for the advice provided. Rest employees are paid a salary and do not receive commissions. They may receive a performance related bonus that takes into account the financial services provided. Super Investment Management Pty Limited, a wholly owned company of Rest, manages some of the Fund's investments. Rest has no other relationships or associations with any related body corporate or product issuer that might reasonably be expected to influence Rest in providing financial services.

For more information, contact us at rest.com.au/contact-us Issued by Retail Employees Superannuation Pty Ltd ABN 39 001 987 739 (Rest) as trustee of Retail Employees Superannuation Trust ABN 62 653 671 394 (the Fund).