

July 2008

Super Co-contributions How to give your super a helping hand

What is the co-contribution?

The co-contribution Legislation means that the Government will match non-concessional contributions made by qualifying low income earners to a complying superannuation fund up to \$1,500 p.a.

Who is entitled to a co-contribution?

To qualify for the Government co-contribution, you must satisfy the following criteria:

- You have made a personal contribution to a complying fund or Retirement Saving Account (RSA) during the financial year. The contributions must be made from post income tax earnings. Contributions made via salary sacrifice do not qualify;
- You have lodged an income tax return for the financial year;
- Your assessable income and reportable fringe benefits are less than \$60,341 in the financial year;
- Your contribution is paid into the complying fund before 30 June each year;
- You are not a temporary resident;
- 10% or more of your total income is from eligible employment, running a business or a combination of both;
- You are less than 71 years old at the end of the financial year in which the contribution was made.

How is the co-contribution calculated?

The amount of the co-contribution is dependant on the income earned during the financial year of the contribution, and the amount of personal contributions made to the fund.

The maximum co-contribution is \$1,500, and is available in full to those on incomes of \$30,342 or less. The maximum amount is reduced by 5 cents in the dollar for every dollar of income earned over \$30,342 up to \$60,342, at which point the co-contribution phases out completely.

Your assessable income plus reportable fringe benefits	Personal after-tax contribution required to achieve maximum co-contribution	Maximum co-contribution
\$30,342	\$1,000	\$1,500
\$32,342	\$934	\$1,400
\$37,342	\$767	\$1,150
\$42,342	\$600	\$900
\$47,342	\$434	\$650
\$52,342	\$267	\$400
\$57,342	\$100	\$150
\$60,342	N/A	Nil

How do I apply?

No applications are required. Providing you lodge your tax return, the ATO will calculate this on your behalf and remit the amount payable to your super fund. The ATO will send you a letter to confirm that the co-contribution has been forwarded to your superannuation fund.

Please note: Figures relate to 2008-2009

Source: www.ato.gov.au/super

Melbourne Office

ABN 29 006 064 786
Suite 2, 670 Canterbury Road
Surrey Hills Vic 3127
Tel: 03 9890 0222 Fax: 03 9898 2352
Email: corporate@certainty.com.au

Sydney Office

ABN 86 102 225 785
Ground Floor, 221 Miller Street
North Sydney NSW 2060
Tel: 02 8912 5800 Fax: 02 8912 5801
Web: www.certainty.com.au

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