

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

Prepared by Certainty Financial – advisers to your employer superannuation plan

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 \$1,000 p.a.

Who is entitled to a co-contribution?

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

- 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 or for which you have claimed a tax deduction do not qualify;
- Your contribution is received by the complying fund before 30 June;
- You have lodged an income tax return for the financial year;
- Your assessable income and reportable fringe benefits are less than \$61,920 in the financial 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 \$1,000, and is available in full to those on incomes of \$31,920 or less. The maximum amount is reduced by 3.333 cents in the dollar for every dollar of income earned between \$31,920 up to \$61,920, at which point the co-contribution phases out completely.

Since 1 July 2009 the definition of income for the purposes of assessing eligibility for the co-contribution has included. Salary sacrifice, certain additional employer super contributions and reportable fringe benefits.

Salary	Maximum Co-contribution
\$31,920 or less	\$1,000
\$35,000	\$897
\$40,000	\$731
\$45,000	\$564
\$50,000	\$397
\$55,000	\$231
\$60,000	\$64
\$61,920	0

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.

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

Warning: The information provided is intended as a general guide for reference. It is **General Advice only** and has been prepared without taking into account your objectives, financial situation, or needs. Because of that, you should, **before acting** on any of the information or advice, consider its appropriateness, having regard to your objectives, financial situation, and needs. Where it relates to the acquisition of a particular financial product, you should obtain a Product Disclosure Statement relating to that product and consider it before making any decision about whether to acquire the product. Any comparison of superannuation funds in this presentation has been prepared on the funds as a whole and has not taken into account variations that may occur due to a fund member's particular circumstances.