

# Superannuation Co-contribution Fact Sheet



The Government's superannuation co-contribution policy is designed to assist eligible individuals to save for their retirement.

## Eligibility

You may be eligible for the super co-contribution if all of the following apply:

- you have made one or more eligible personal super contributions to your super account during the financial year (this does not include salary sacrifice contributions);
- your total income must be below \$52,697 for 2018-19 (this is your assessable income, plus your reportable fringe benefits, plus your total reportable employer superannuation contributions);
- 10% or more of your total income has come from employment-related activities, carrying on a business, or a combination of both (ie your income can not be entirely from investments such as interest, rent and dividends);
- you are less than 71 years old at the end of the financial year;
- you did not hold a temporary visa at any time during the financial year (unless you are a New Zealand citizen or it was a prescribed visa);
- you lodge your tax return for the relevant financial year;
- your total super balance (across all super funds) was less than the general transfer balance cap at the end of 30 June of the previous financial year (this is \$1.6 million for the 2018-19 financial year);
- you not have contributed more than your non-concessional contributions cap.

## Amount of Co-contribution

Your income and the amount you contribute will determine how much co-contribution you receive. If you earn less than \$37,697 (2018-19 financial year) and make a \$1,000 contribution, then you will receive the maximum \$500. As your salary increases, the amount you receive will be reduced by 3.333 cents for every dollar of income, and phase out completely at an income of \$52,697 (2018-19).

## Personal (after-tax) Contributions

CBH Super will report your after-tax contribution to the Australian Tax Office (ATO) and they will determine whether you are entitled to receive a co-contribution based on your personal tax return. The co-contribution will then be sent to CBH Super and paid directly into your account. You will receive a letter from the ATO confirming your payment to your Fund.

Co-contributions are not subject to the usual taxes associated with super. It will not be subject to tax when paid to the Fund, nor will it be taxed when received as a benefit or included as income in your tax return. Earnings on the super co-contribution will be taxed like any other earnings within the Fund.

## Further Information

You can visit the ATO website at <https://www.ato.gov.au/individuals/super/in-detail/growing/super-co-contribution/> for more information about the co-contribution. This site also has a co-contribution calculator, which shows you the amount you may be eligible to receive. Alternatively, you can contact Donna Adam at CBH Super on 9237 9707.

Warning: This fact sheet is general advice only and does not take into account your individual objectives, financial situation or needs. We encourage you to consider discussing your superannuation arrangements with a licensed financial adviser to obtain financial advice that is tailored to suit your own personal circumstance.