

Super Contribution Limits

Superannuation is a tax effective structure to accumulate and grow your retirement savings. The government wants us all to contribute more into Super, however there are limits on the amounts that can be contributed. Let look at these now.

Concessional (Pre-tax) Contributions

This includes any Super contributions from pre-tax sources. It includes any contributions from your employer and any pre-tax contributions from yourself, such as Salary Sacrifice and Personal Deductible Contributions.

You are permitted to make a total of no more than **\$25,000** of concessional contributions per financial year. If you are aged between 65 and 75, you must work at least 40 hours in a consecutive 30 day period during the financial year to be eligible to make a concessional contribution into Super. Concessional contributions are taxed at a rate of 15%.

From the 2018/19 Financial Year, you can “bank” any unused concessional contributions to be used in future, provided your total Super balance is less than \$500,000. These banked amounts expire after 5 years.

Non-concessional (After-tax) Contributions

This includes all contributions made by you into your own Super fund using after-tax money.

You can make a total of **\$100,000** of concessional contributions per financial year, provided your Super balance is less than \$1.6 million. If you are aged under 65, you can use the “bring forward” rule to make three years contributions in a single lump sum (providing doing so won’t cause your Super balance to exceed \$1.6 million).

Non-concessional contributions are not taxed when contributed into a Super fund.



Information for Some Specific Situations

- **People aged over 75** generally aren’t permitted to make Super contributions. However, if they are employed, their employer still can make Super contributions on their behalf.
- **Homeowners aged 65 or more** who have owned their house for at least 10 years and wish to downsize, can contribute up to \$300,000 from the proceeds of the sale of their home into their Super. This contribution must be made within 90 days of the property settlement. Some other rules apply.
- **Small Business Owners** over the age of 55 and retired, can make a contribution into Super of up to \$1,480,000 after the sale of their small business provided that they owned and operated it for at least 15 years. There are other rules and conditions that apply.



Phone: (07) 5522 8065 Fax: (07) 5572 9519
Email: admin@ywc.com.au
Office: 5/5 Markeri Street, Mermaid Beach QLD 4218
Postal: PO Box 297, Mermaid Beach QLD 4218