

Member Super Facts

July 2011

Super co-contributions



did you know?

CareSuper can only accept co-contributions if we have your Tax File Number (TFN) recorded! To ensure that we have your TFN, call the CareSuperLine on 1300 360 149 or ask your contributing employer to provide it to us for superannuation purposes. It's not compulsory to give us your TFN but, as well as not being able to receive co-contributions, you may also be charged more tax on your super contributions if you don't provide your TFN.



Information helpline

For more information on CareSuper or super-related topics call the CareSuperLine on 1300 360 149, email admin@caresuper.com.au or visit caresuper.com.au

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Disclaimer

The advice in this document is of a general nature. We have not taken into account your particular financial needs, circumstances and objectives. We recommend you read the product disclosure statement, assess your own financial situation and seek professional advice from a licensed financial adviser before making any decisions related to your super. While every care has been taken as to the accuracy of this information, CareSuper takes no liability for the correctness of this information. CareSuper is not responsible for any loss, direct or indirect, resulting from reliance of the information contained in this document.

What is the super co-contribution?

The super co-contribution is a payment made by the Commonwealth Government into your superannuation account to encourage you to save for retirement.

For every \$1 you contribute to your super, the Government will contribute up to a maximum of \$1,000 per year if your income is less than \$31,920. The super co-contribution gradually reduces for incomes over this amount and phases out completely at \$61,920.

Am I eligible?

To be eligible you must meet all of the following criteria:

- Make after-tax personal contributions by 30 June each year (and you must not claim a tax deduction for the contributions)
- Lodge an income tax return for the financial year
- Have at least 10% of your assessable income from eligible employment*
- Have assessable income and reportable fringe benefits of less than \$61,920 (2011/12 indexed annually) for the financial year**
- Not be a temporary resident, and
- Be less than 71 years old when you make the contributions.

There is a limit (or cap) to the amount of contributions you can make without incurring additional tax. If you exceed the cap you may have to pay extra tax. Visit the Knowledge centre under 'Growing your super' on our website caresuper.com.au to find out more.

* Eligible employment may include some forms of self-employment. To find out if you are eligible or to find out more about the government's co-contribution, refer to the ATO website at ato.gov.au

**Reportable super contributions (salary sacrifice) will be included in your assessable income for co-contribution purposes.

Do I need to apply?

No, simply meet the eligibility criteria and lodge an income tax return. The Australian Taxation Office (ATO) will use the information on your income tax return and your super contribution information provided by CareSuper to work out whether you are eligible. If you are eligible, the ATO will automatically calculate your co-contribution amount and deposit it into your CareSuper account.

How do I make contributions?

You can make contributions on a regular basis or as a one-off payment. Your contribution can be paid to CareSuper by BPAY®, direct debit, payroll deduction (if your employer offers it) or cheque. For more information (and your BPAY personal reference number) call the CareSuperLine on 1300 360 149.

When will I receive my super co-contribution?

Your co-contribution is paid to your super account annually after you lodge your income tax return, CareSuper has lodged a member contributions statement on your behalf, and the ATO has received any additional information it may require.

Can I receive a super co-contribution every year?

Yes; as long as you meet the eligibility criteria every year and the Government continues this initiative, you can keep on taking advantage of the super co-contribution.

How much can I receive?

Use this table to see how much you may get from the Government:

And your income is:	If your personal super contribution is:			
	\$1,000	\$800	\$500	\$200
\$31,920	\$1,000	\$800	\$500	\$200
\$33,920	\$933	\$800	\$500	\$200
\$35,920	\$867	\$800	\$500	\$200
\$37,920	\$800	\$800	\$500	\$200
\$39,920	\$733	\$733	\$500	\$200
\$41,920	\$667	\$667	\$500	\$200
\$43,920	\$600	\$600	\$500	\$200
\$45,920	\$533	\$533	\$500	\$200
\$47,920	\$467	\$467	\$467	\$200
\$49,920	\$400	\$400	\$400	\$200
\$51,920	\$333	\$333	\$333	\$200
\$53,920	\$267	\$267	\$267	\$200
\$55,920	\$200	\$200	\$200	\$200
\$57,920	\$133	\$133	\$133	\$133
\$59,920	\$67	\$67	\$67	\$67
\$61,920	\$0	\$0	\$0	\$0

SOURCE: www.ato.gov.au Effective for the 2011/12 year.

What happens with tax?

The government co-contribution will be treated as a 'non-concessional' (after-tax) contribution and will not be taxed when CareSuper receives it, or when paid to you as a benefit from age 60.

What if I salary sacrifice?

The income test for co-contribution eligibility includes salary sacrificed super contributions. Therefore, salary sacrificing your income will not improve your co-contribution entitlement.