

Member Super Facts

September 2008

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 all the information available, assess your own financial situation and seek professional advice from a licensed financial adviser before deciding to make 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 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 \$1.50 – to a maximum of \$1500 per year if your income is less than \$30,342. The super co-contribution gradually reduces for incomes over this amount and phases out completely at \$60,342.

Am I eligible?

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

- Make personal (after-tax) contributions to a complying super fund
- Earn less than \$60,342 (assessable income and reportable fringe benefits) during 2008/09
- Be under 71 years of age at 30 June 2009
- Earn 10% or more of your total income (not reduced for business deductions) from eligible employment (including self-employment*)
- Not be a temporary resident
- Lodge an income tax return for the year of income.

* Since 1 July 2007, self-employed people who earn 10% or more of their total income from eligible employment, carrying on a business or a combination of both have access to the super co-contribution scheme.

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:

	If your personal super contribution is:			
	\$1,000	\$800	\$500	\$200
And your income is:	Your super co-contribution will be:			
\$30,342 or less	\$1,500	\$1,200	\$750	\$300
\$32,342	\$1,400	\$1,200	\$750	\$300
\$34,342	\$1,300	\$1,200	\$750	\$300
\$36,342	\$1,200	\$1,200	\$750	\$300
\$38,342	\$1,100	\$1,100	\$750	\$300
\$40,342	\$1,000	\$1,000	\$750	\$300
\$42,342	\$900	\$900	\$750	\$300
\$44,342	\$800	\$800	\$750	\$300
\$46,342	\$700	\$700	\$700	\$300
\$48,342	\$600	\$600	\$600	\$300
\$50,342	\$500	\$500	\$500	\$300
\$52,342	\$400	\$400	\$400	\$300
\$54,342	\$300	\$300	\$300	\$300
\$56,342	\$200	\$200	\$200	\$200
\$58,342	\$100	\$100	\$100	\$100
\$60,342	\$0	\$0	\$0	\$0

SOURCE: www.ato.gov.au The salary levels will be indexed every year from 1 July 2007.

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?

You may be able to salary sacrifice and still receive a super co-contribution! This works by reducing your taxable income through salary sacrifice to an amount below the co-contribution threshold of \$60,342 and then making an after-tax contribution to your super account. Changes to regulations, however, mean that 2008/09 is the last financial year that you'll be able to do this.