

Boosting your super.

Why rely solely on your employer to grow your super savings? Here's what you need to know about giving your super a boost with extra contributions (and maybe reduce your tax bill while you're at it).

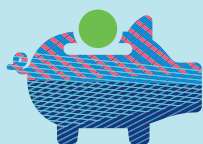
HOW SUPER WORKS

Generally, your employer is required to pay the equivalent of 9.5% of your salary into super (some employers may pay more). This is the current super guarantee (SG) rate and it's subject to change. You can always find the latest rate on our website, and you can check your transaction history in MemberOnline.

You can find more information on the SG and check if you're eligible by visiting the Australian Tax Office website at ato.gov.au

EVERY LITTLE BIT COUNTS

Relying on the SG alone might not be enough to create the lifestyle you want when you finish work. Making additional contributions now can make a big difference later on. We have strategies to ensure your super doesn't come up short. Visit caresuper.com.au/growyoursuper to find out how to keep your super on track.



WAYS TO BOOST YOUR SUPER

There's two types of contributions that you can make:

- 1 Concessional (before-tax) contributions, and
- 2 Non-concessional (after-tax) contributions

When making additional contributions, it's important that you make the right choice depending on your situation. If you need help with deciding which contribution is right for you, visit caresuper.com.au/advice.

1 CONCESSIONAL CONTRIBUTIONS

Concessional (before-tax) contributions are paid into your super before your marginal income tax rate is applied. There is a 15% contributions tax paid on concessional contributions going in to super, but this is lower than most people's marginal tax rate. This can make it a tax-effective savings option.

Before-tax contribution options can include:

- SG contributions
- Salary sacrifice contributions
- Personal deductible contributions
- Contribution splitting.

SALARY SACRIFICE

Salary sacrifice is when you make the choice to regularly 'sacrifice' part of your salary and pay it into your super account. This can help to increase your super balance and reduce your overall taxable income. Speak to your employer to find out if you're eligible.

GETTING STARTED

If salary sacrifice is an option for you, you'll need to request this in writing from your employer. (They'll usually supply a form.) You can cancel a salary sacrifice arrangement at any time.

It's important to note that these contributions do count as employer contributions, so they'll be counted as income for government programs or welfare benefits (if applicable).

2 NON-CONCESSIONAL CONTRIBUTIONS

Non-concessional (after-tax) contributions are generally made from your take-home pay – e.g. the money in your bank account. Because it's already been taxed at your marginal tax rate, you won't pay any additional tax when you contribute this money to your super account.

After-tax contributions can include:

- Any personal contributions you make from your take-home pay
- Spouse contributions

PERSONAL CONTRIBUTIONS

How do you make a personal super contribution? Well, you're spoilt for choice:

- BPAY®
- Payroll deductions
- Cheque

You may be able to claim a tax deduction on personal contributions. To find out more, visit caresuper.com.au/growyoursuper.

SPOUSE CONTRIBUTIONS

The super system offers a few ways for couples to build for the future together. If one partner earns more than the other, or if one has taken some time away from the workforce, spouse contributions can help to boost the savings.

If eligible, you may also be able to claim a tax offset if your spouse is earning less than \$37,000. More information can be found at caresuper.com.au/growyoursuper.

OTHER WAYS TO BOOST YOUR SUPER

The government has a co-contribution scheme to help lower-income earners save for the future.

You might be eligible for a super co-contribution of up to \$500 if:

- Your total income is less than \$52,697 (2018/19 financial year) or \$53,564 (2019/20 financial year) and you make a personal contribution to your super
- 10% or more of your income comes from employment or business-related activities
- You had a total super balance of less than \$1.6 million (as at 30 June of the previous financial year).

And during the financial year, you:

- Were under 71 years of age
- Didn't hold a temporary visa

- Didn't exceed your non-concessional contributions cap
- Lodged your tax return.

If you meet the criteria, the government will pay the co-contribution automatically once you've made your contributions – you don't need to do a thing.

CLAIMING A TAX DEDUCTION ON PERSONAL CONTRIBUTIONS

If you want to claim a tax deduction, you'll need to tell us of your intent to claim, and your claim needs to be made by the earlier of the following:

- The day you lodge your tax return for the year in which you made the personal contributions
- The end of the financial year following the one in which you made the personal contributions.



CONTRIBUTIONS CAPS AND HOW THEY COULD AFFECT YOU

There is such a thing as too much of a good thing. Overdo it with your contributions and you might find yourself with unwanted tax bills.

There are different caps for concessional and non-concessional contributions:

Contribution caps 2019/2020

Concessional (before-tax) cap	\$25,000
Non-concessional (after-tax) cap	\$100,00

CONCESSIONAL CAP

Employer contributions, including salary sacrifice and any personal contributions you claim as a tax deduction, fall under this cap. If you don't use the full cap, you may be able to 'carry forward' the unused portion into the next financial year.

NON-CONCESSIONAL CAP

Contributions towards this cap could be regular or ad hoc – e.g. money from an asset sale, inheritance, or from your savings.

Need more details? Call us or visit ato.gov.au.

WORK TEST

If you're aged 65 to 74, you must work 40 hours in 30 consecutive days in a financial year to make voluntary contributions to super. However, from 1 July 2019 this 'work test' is being relaxed with a one-year 'exemption' for those who have a super balance under \$300,000.

EXCEEDING THE CAPS

If you go over a cap, lodge your tax return for the year as normal, but be aware you may have to pay extra tax. To understand how much extra and what your options are go to ato.gov.au.

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 assess your own financial situation, seek professional advice from a licensed financial adviser and read the Product Disclosure Statement 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 on the information contained in this document. Past performance is not a reliable indicator of future performance and you should consider other factors before choosing a fund or changing your investments.

