CareSuper

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).

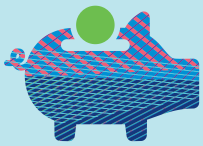
HOW SUPER WORKS

Generally, your employer is required to pay the equivalent of 11% 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 are 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.

SALARY SACRIFICE

Salary sacrifice is when you make the choice to '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).

CONTRIBUTION SPLITTING

Your partner can split and transfer up to 85% of their concessional contributions to you (once a year). Refer to **contributions splitting** on the ATO website for more information. Or find our contribution split form **here**.

*Individuals with an adjusted taxable income of over $250,000 p.a. generally have their concessional contributions taxed at an effective rate of 30% (the extra tax is payable by the individual as advised by the ATO).

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

Log in to **MemberOnline** for your personal BPAY details, or give us a call. You may be able to claim a tax deduction on personal contributions. To find out more, visit **caresuper.com.au/noticeofintent**.

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 $40,000. More information can be found at **caresuper.com.au/growyoursuper**.

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 2023/24

Concessional (before-tax) cap	$27,500
Non-concessional (after-tax) cap	$110,000

CONCESSIONAL CAP

Employer contributions, including salary sacrifice and any personal contributions you claim as a tax deduction, fall under this cap. This also includes any insurance fees or administration fees your employer pays on your behalf. 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 contributed from an asset sale, inheritance, or from your savings. From 1 July 2021, members who accessed a COVID-19 early release of superannuation payment in 2020/21 can make after-tax 're-contributions' to their super that won't count toward their non-concessional cap. Conditions apply. You will have a non-concessional cap of $0 if your total super balance at 30 June of the previous financial year is greater than general transfer balance cap. For 2022/23 this cap was $1.7 million and for 2023/24 this cap is $1.9 million. Need more details? Call us or visit **ato.gov.au**.

EXCEEDING THE CAPS

If you go over a cap, you may have to pay extra tax. To understand how much extra and what your options are go to **ato.gov.au**.

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 between $43,445 and $58,445 (for the 2023/24 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 $1.9 million (as at 30 June of the previous financial year).

And during the financial year, you:

- Were under 71 years of age (as at the last day of the financial year)
- 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 lodged your tax return – 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.

If you are 67 to 74 years old, you will need to meet the work test in order to claim a personal superannuation contribution deduction.

Find out more at **caresuper.com.au/noticeofintent**.

1300 360 149 **caresuper.com.au** **caresuper.com.au/getintouch**

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