

Super contribution limits – what you need to know

Superannuation plays an important part in securing your lifestyle in retirement. Apart from the compulsory super contributions made by your employer (called 'super guarantee' or 'SG'), you can contribute extra to your super at any time to help increase your savings for the future.

You can put as much money as you like into your super, but there are limits on how much you can contribute before you pay extra tax.

The different limits (known as caps) depend on the type of contributions made into your super fund.

CONCESSIONAL (BEFORE-TAX) CONTRIBUTIONS

Concessional contributions are contributions made into your super fund **before** any tax is paid on them.

They can include:

- compulsory super payments (SG) made by your employer
- salary sacrifice contributions
- costs your employer pays on your behalf, such as super administration fees and insurance premiums
- some personal contributions, such as super payments you make if you're self-employed – if an income tax deduction is allowed.

Once in your fund, these contributions are taxed at 15%.

NON-CONCESSIONAL (AFTER-TAX) CONTRIBUTIONS

Non-concessional contributions are generally contributions you make into your super fund **after** tax has been paid on them.

They include:

- personal contributions you make from your after-tax pay that you are not allowed to claim as an income tax deduction
- contributions your spouse makes to your fund on your behalf.

CONTRIBUTION CAPS

For the 2013–14 financial year the general concessional contributions cap for those younger than 60 years old in the 2013–14 financial year is \$25,000.

However, if you turn 60 years or older in 2013–14 you can contribute up to \$35,000 before you may have to pay extra tax.

If you turn 50 years or older in 2014–15, you can contribute up to \$35,000 before you may have to pay extra tax.

CONTRIBUTION CAPS 2013–14

	Limit (cap)	Tax rate if you exceed the cap
Concessional	\$25,000 (if under 60 years in 2013–14)	Amounts over \$25,000 will be added to your assessable income and taxed at your marginal tax rate
Concessional	\$35,000 (if turning 60 years old or older in 2013–14)	Amounts over \$35,000 will be added to your assessable income and taxed at your marginal tax rate
Non-concessional	\$150,000	46.5% (for amounts over \$150,000)



Accidentally gone over a cap?

From 1 July 2013, if you go over the cap, your excess concessional contributions will be included in your assessable income and taxed at your marginal tax rate (plus an interest charge).

To assist you in paying the additional tax bill, you may release up to 85% of the excess concessional contributions from your super fund. You can only release up to 85% because 15% contributions tax has already been paid by your super fund. Released contributions will no longer be counted as non-concessional contributions.

If your non-concessional contributions exceed the cap, you will receive an excess non-concessional assessment.

Avoiding extra tax

Check your contributions regularly to make sure you aren't going to exceed the caps. When you work out how much you're contributing in any financial year, remember that contributions count when they are received by your fund – not when the payment was sent.

If you salary sacrifice to super and you think you're at risk of exceeding the cap, consider reducing your salary sacrifice amounts.

➤ MORE INFORMATION

If you're unsure about how much is being contributed to your super or when payments will be received by your fund, talk to your employer or fund.

It's also a good idea to talk to your tax agent or financial adviser before making any decisions about your super. If you need more information about super contributions, you can visit ato.gov.au/supercaps

For more information about the changes to super, you can:

- visit ato.gov.au/yoursuper
- phone **13 10 20**.

You can also find us on:

- Facebook at facebook.com/atogovau
- Twitter at twitter.com/ato_gov_au
- YouTube at youtube.com/AusTaxOffice

If you do not speak English well and need help from the ATO, phone the Translating and Interpreting Service on **13 14 50**.

If you are deaf or have a hearing or speech impairment, phone us through the National Relay Service (NRS) on the numbers listed below, and ask for the ATO number you need:

- TTY users, phone **13 36 77**. For ATO 1800 free-call numbers, phone **1800 555 677**.
- Speak and Listen users, phone **1300 555 727**. For ATO 1800 free-call numbers, phone **1800 555 727**.
- Internet relay users, connect to the NRS at relayservice.com.au

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