

AFTER TAX CONTRIBUTIONS



Grow your retirement savings

Adding a little extra to your super can make a big difference to your retirement savings, when you can afford to retire and what you can afford to do in retirement.

Contribution types

There are two main types of super contributions:

Before tax contributions (also known as concessional contributions) and after tax contributions (also known as non-concessional contributions).

Deciding what types of contributions you want to make depends on why you're doing it and other things, like your age, if you're working and how much you earn each year.

For example, it may be better for you to make:

After tax contributions: if you have a big amount to put into super from an inheritance or sale of an investment, or you are a lower income earner.

Before tax contributions: if you're wanting to save tax, are still working, or wanting to make regular contributions.

There are other types of contributions, like the Downsizer contribution, and contributions made from a 'personal injury payment' or the disposal of active business assets (known as the 'Small Business Capital Gains Tax Exemptions').

In this factsheet, we'll give you information on after tax contributions. If you want to learn more about contributions and eligibility, see our *Super Handbook* at bussq.com.au or go to ato.gov.au

Before making contributions, always think about your situation and consider obtaining financial advice.

BUSSQ offers personal advice to members at no charge.[^] Contact us to arrange an appointment.

Why do it

After tax contributions come from your savings, after it's already been taxed. Because of this, when these go into your super, you don't have to pay the 15% tax charged to before tax contributions.



DID YOU KNOW?

Your money is invested in super: Your savings in super are invested and returns on these investments are usually taxed less than they would be outside super, if you're working. So, you'll be earning even more money on your retirement savings, helping to grow your balance even quicker. You can also choose how your money is invested with us.

Government co-contribution: There are a few different ways the Government rewards people for making extra after tax super contributions that we explain in this factsheet.

How much can you put into super

The Government decides how much you can put into super each year. From 1 July 2024, the cap for after tax contributions is \$120,000 per year.

You may be able to 'bring-forward' up to 3 years' worth of after tax contributions. This means you may be able to contribute up to \$360,000 in one financial year.

For more information on the 'bring-forward arrangement' and contribution caps, go to ato.gov.au or call us on **1800 692 877**.



Types of after tax contributions

Personal contributions

These are contributions you make from your pay or savings after-tax. Because of this, when they go into your super account, or get withdrawn, they won't be taxed again.

They could include extra amounts you put in regularly, or lump sums, from things like an inheritance, or selling a property or other investments.

You may be able to claim a tax deduction for some after-tax contributions. For more information, go to ato.gov.au

EXAMPLE: USING THE BRING-FORWARD ARRANGEMENT*

Jono is 59 years old and has a super balance of \$250,000. He recently inherited \$200,000.

The yearly after tax contribution cap is \$120,000 but if he uses the bring-forward arrangement, he can put all this money into super in one go and make an after tax personal contribution of \$200,000. This will increase Jono's super balance to \$450,000, which will increase the amount of money he'll have at retirement.

Government co-contribution

The Government tops up your super by adding up to \$500 in co-contribution payments for eligible members. For every \$1 you contribute, the Government will contribute 50c up to the \$500 limit.

If you earn:

- Under \$45,400 and contribute \$1,000, you could be eligible for the full \$500.
- Between \$45,401 and \$60,399, you could be eligible for part of the \$500.

For more information on the eligibility criteria and maximum limits, go to ato.gov.au

EXAMPLE: HOW TO GET A CO-CONTRIBUTION*

Tim is 18 and earns \$42,000 a year. He's been saving and decides to put \$1,000 of this into his super, after tax.

When he does his tax return he'll automatically get an extra \$500 from the Government into his super because he earned under \$45,400 for the year.

Spouse contributions

You can make a super contribution directly to your spouse's super. This will be treated as their after tax contribution, and it may entitle you to a tax offset.

Why do it? Spouse contributions can minimise the amount of tax you pay, boost your partner's super, and in some cases, allow you to access super early if your spouse is older.

See our *Super Handbook* for more information at bussq.com.au/pds

EXAMPLE: MAKING SPOUSE CONTRIBUTION*

Jim and Penny are a couple. Jim earns \$120,000 a year. Penny looks after the kids and only works part time on the weekend earning \$20,000 a year.

To keep Penny's super growing, Jim makes an after tax contribution of \$3,000 to her account. Because she earns under \$37,000 a year, he'll get a tax offset of \$540 – which reduces his taxable income at tax time.

For information on the different spouse contributions and how to make them, go to ato.gov.au and search for 'Spouse contributions'.

* Examples are illustrative only and assume all terms and conditions have been met.

How to make a contribution

Make a contribution in the way that works best for you. To find a form, go to bussq.com.au/forms-and-factsheets

BPAY



You can find your BUSSQ BPAY details in your online account at member.bussq.com.au under 'Super > Grow my super > Make contributions'.

Direct debit



To set up a direct debit, call us on 1800 692 877 or complete a *Direct Debit Request* form.

To claim a tax deduction



Before you complete your tax return, send us your completed *Notice of intent to claim or vary a tax deduction for personal super contributions* form.

Help is available for you at BUSSQ



Talk to us

Call **1800 692 877**

Visit us at 299 Coronation Dr,
Milton QLD 4064

Email super@bussq.com.au



Learn more

Go to: bussq.com.au

- Try our online calculators
- Register for a seminar
- Check out our other resources



Get advice

You can also get personal financial advice on contributions at no extra cost.[^] Call us to book an appointment or discuss your options.

[^] Personal advice is limited to BUSSQ products and is advice on insurance, investment choice, contributions and retirement. The cost of this advice is included in the administration fees and costs. Personal advice is provided by one of our financial planners who are Authorised Representatives of Industry Fund Services Limited (IFS) (ABN 54 007 016 195 AFSL 232514). IFS is responsible for any advice given to you by its representatives.

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