

# DOWNSIZER CONTRIBUTIONS



## Sell your home and boost your super

If you're thinking about downsizing your home, you might be able to contribute money from the sale into your super.

This factsheet explains how the downsizer contributions work and some key things you'll need to know if you're wanting to take advantage of it.

### What is it

If you're 55 or older, and you or your spouse have owned your home for at least 10 years, you may be able to make a downsizer contribution to your super if you sell your home.

Each person aged 55 or older can contribute an amount of up to \$300,000 into super. This means, if you have a spouse, the total contribution amount can be up to \$600,000 (\$300,000 each).

Importantly, downsizer contributions don't count towards your contribution caps.

### Examples\*

Jo sold the home he lived in for 10 years, for **\$600,000**



He can make a maximum downsizer contribution of \$300,000 to his super.

He may also be able to contribute more to his super as a voluntary, non-concessional contribution (after tax).

Peter and Sally's house sold for **\$800,000**



They can each make a downsizer contribution of \$300,000 into their super accounts.

They may also be able to contribute more to their super as a voluntary, non-concessional contribution (after tax).

Tom and Gemma's house sold for **\$400,000**



They can choose to contribute half (\$200,000) each, or split it – for example, \$300,000 for Sally and \$100,000 for Peter.

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

## Why do it

A downsizer contribution:

- Can be a great way to increase your super savings for retirement.
- Doesn't use any of your other contribution cap amounts.
- Can potentially provide tax advantages as it is an after tax contribution which means no tax is paid on the money when it is put into your super.

## Eligibility criteria

You and your spouse may be eligible to make a downsizer contribution if:

- You're both 55 or older
- Your home is in Australia and is not a caravan, houseboat or other mobile home
- Your home is owned by you and/or your spouse for 10 years or more prior to the sale
- You have not previously made a downsizer contribution from the sale of another home
- You make your downsizer contribution within 90 days of receiving the proceeds of sale.

You can find a full list of all eligibility requirements on the ATO website at [ato.gov.au/downsizing](https://ato.gov.au/downsizing) or call them on **13 10 20**.

## Considerations – tax, the Government Age Pension and contribution caps

- You won't pay contribution tax on the money you add to super from the sale of your home.
- Downsizer contributions are not tax deductible.
- Downsizer contributions may be taken into account once added to super when determining the Age Pension eligibility for you or your partner. If you need help understanding the rules and how it could impact you, contact the ATO on 13 10 20 or visit their website.
- Downsizer contributions don't count towards your contribution caps. However, if you move your super to an account-based pension (like a BUSSQ Retirement Income account) it will count toward your transfer balance cap (currently \$1.9 million).

## How to contribute

You can make a downsizer contribution by completing the form available on the ATO website at [ato.gov.au/downsizing](https://ato.gov.au/downsizing)

Please send your completed form to us by:



Post  
**BUSSQ, GPO Box 2775, Brisbane QLD 4001**



Email  
**super@bussq.com.au**



### It's important to remember:

- You must give your completed form to BUSSQ before or at the same time we receive your contribution.
- Downsizer contributions generally must be made within 90 days of the sale of your home, which is usually the date of settlement. In some circumstances you may be able to request an extension from the ATO. Please contact the ATO for more information.

## 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](mailto:super@bussq.com.au)



### Learn more

Go to: [bussq.com.au](https://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.<sup>^</sup> Call us to book an appointment or discuss your options.

<sup>^</sup> 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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