



# Fact sheet: Government contributions to your super

To help boost the retirement savings of lower income earners, the government may contribute to your super through one or both of the following initiatives – the super co-contribution and the low income super tax offset.

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## Super co-contribution

If you make non-concessional (after-tax) contributions to your super and your income is less than the thresholds in the following table, the government may make a tax-free co-contribution of up to \$500 to your super.

Year	Lower income threshold	Higher income threshold
2019–20	\$38,564	\$53,564
2020–21	\$39,837	\$54,837

To qualify for the super co-contribution in a financial year, you must meet **all** of the following criteria:

- You've made one or more eligible non-concessional contributions during the financial year but haven't exceeded your non-concessional contributions cap. Non-concessional contributions are generally those made from your after-tax salary where you don't claim a tax deduction.
- Your total super balance<sup>1</sup> was less than \$1.6 million at 30 June of the previous financial year.
- You've lodged an income tax return for the relevant financial year.
- Your total income<sup>2</sup> for the relevant financial year was less than the higher co-contribution income threshold.

1 Your 'total super balance' is generally calculated as at 30 June each year as the sum of all of your accumulation super accounts, retirement account-based pensions or transition to retirement income streams, accruing interests in a defined benefit fund, and non-account based, including defined benefit, income streams included in your transfer balance cap.

2 'Total income' for the purpose of assessment against the super co-contribution thresholds is your assessable income plus reportable fringe benefits plus reportable employer super contributions, less your allowable business deductions. However, for the purposes of the 10% or more income test, 'total income' is not reduced by allowable business deductions.



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- You received 10% or more of your total income<sup>2</sup> from employment-related activities, carrying on a business or a combination of both.
- You were less than age 71 at the end of the financial year.
- You didn't hold any temporary resident visa at any time during the financial year, unless you're a New Zealand citizen or it was a prescribed visa.

The super co-contribution applies to non-concessional contributions made to either an accumulation super account, such as Accumulate Plus, or a defined benefit super scheme, such as a defined benefit division in our fund.

If you make non-concessional contributions to more than one super fund or account, these also count towards your eligibility for the super co-contribution.

Other types of contributions like employer contributions, salary sacrifice contributions, personal deductible contributions and spouse contributions, do **not** qualify towards the super co-contribution.

**Warning!** Remember that a cap applies to non-concessional contributions before you incur additional tax. Read our *Reference Guide: Contributing to your super* for Accumulate Plus or your Defined Benefit Member Booklet for more information.

## The co-contribution amount depends on your contribution and your income

The matching rate for the super co-contribution is 50%, so for every dollar of non-concessional contributions you make, the government may contribute up to 50 cents into your super.

The maximum super co-contribution you can receive depends on how much you contribute and your total income<sup>2</sup>:

- If your total income is equal to or less than the lower income threshold, you may be eligible for up to the maximum super co-contribution of \$500.
- If your total income is between the lower and higher thresholds, you may be eligible for a partial co-contribution.
- If your total income is equal to or greater than the higher threshold, you're not eligible for the super co-contribution.

**Example:** If your total income for 2020–21 is \$35,000 and you make \$500 in non-concessional contributions, you may be eligible for a co-contribution of \$250, or you may receive the maximum co-contribution of \$500 if you contribute \$1,000 or more during the year. If your total income is \$50,000, the maximum co-contribution you could receive is \$161, which you could receive by contributing a minimum of \$321 during the year.

## Low income super tax offset

The low income super tax offset (LISTO) refunds some of the tax you pay on concessional (before tax) contributions to super, such as employer and salary sacrifice contributions. Unlike the super co-contribution scheme, you don't need to make personal contributions to be eligible for a LISTO.

If your adjusted taxable income<sup>3</sup> is \$37,000 or less, you may receive a LISTO of up to \$500, paid into your super.

The LISTO is 15% of the concessional contributions received during the financial year, to a maximum LISTO of \$500 (not indexed).

**Example:** You've received \$3,240 in concessional contributions during the financial year. If you're eligible for a LISTO, you'd receive a contribution of 15% of \$3,240 = \$486.

## The ATO calculates and pays a super co-contribution or LISTO

You don't have to apply to receive a super co-contribution or LISTO. After the end of the financial year, the ATO determines if you're eligible for one or both contributions based on your income tax details and information that your super funds provide about your contributions.

If you're eligible, the ATO pays the contribution into your super account. If we receive a super co-contribution or LISTO from the ATO for you, we let you know, usually on your next periodic statement. These contributions are tax-free and must be preserved in the super system until you satisfy a condition of release.

A super co-contribution and/or LISTO may still be payable after your death, based on contributions received before your death.

<sup>3</sup> 'Adjusted taxable income' for the purpose of assessment against the LISTO threshold includes your taxable income, adjusted fringe benefits total, target foreign income, total net investment loss, tax-free pension or benefit, and reportable superannuation contributions, less any deductible child maintenance expenditure.



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