Personal Contributions Guide

Options for contributing to your super

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Contributions

There are a number of ways you can boost your retirement savings by contributing to your super.

This guide tells you everything you need to know about making contributions into your Accumulation account, and conditions and limits that apply.

If you have a Defined Benefit account, this guide does not apply to you. Please visit our website at **qsuper.qld.gov.au** or call us for more information.

There are several ways contributions can be made into your super.

By you

You can either make voluntary contributions to your super before or after tax.

If you work for the Queensland Government, you are generally required to make contributions of between 2-5% to your super (standard member contributions).

You can make contributions up to age 67. However, if you are aged 67-74, you must meet the work test or the work test exemption. Downsizer contributions can be made if you are eligible.

You can find more information about the different conditions that apply in the *Downsizer Contribution into Superannuation* form available on the QSuper website at **qsuper.qld.gov.au/forms**.

By your spouse

Your spouse can make contributions to your account until you reach the age of 67. Your spouse, could also make contributions if you are aged 67-74 and you have met the work test or work test exemption before the contribution is made.

To receive a spouse contribution under the work test and if you are aged 67-74, you must be working at least 40 hours over 30 consecutive days in the current financial year (the financial year you are receiving this spouse contribution).

To receive a spouse contributions under the work test exemption and you are aged 67-74, you must have met the work test in the previous financial year, have a total superannuation balance below $300,000 at 30 June of the previous financial year, and have not made or received a work test exemption contribution in any previous financial year.

By your employer

Your employer must contribute the standard 9.5% superannuation guarantee (SG) amount to your super.

However, if you work for the Queensland Government and make standard member contributions, your employer will contribute up to 12.75% to your super, depending on how much you contribute.

By the Australian Government

If you are a low income earner, the Australian Government may contribute to your super in two ways.

If you earn less than $54,837 in the 2020-21 financial year, the Australian Government may contribute 50 cents for every $1 in non-concessional contributions you make to your super (up to a maximum of $500) as a super co-contribution.

If you earn less than $37,000 per year, the Australian Government may contribute an amount to your super (up to a maximum of $500) through the Low Income Super Tax Offset (LISTO). This offsets tax you paid on your before-tax contributions.

Work test and Work test exemption

If you are aged 67-74, you must work at least 40 hours over 30 consecutive days each financial year to be allowed to make contributions (the work test).

You may be exempt from the work test if you met the work test in the previous financial year; and have a total superannuation balance below $300,000 at 30 June of the previous financial year; and have not made or received a work test exempt contribution in any previous financial year.

If your total superannuation balance is below $300,000, you will be able to make voluntary contributions within 12 months from the end of the financial year in which you last met the work test, up to the age of 74. This is known as the work test exemption. The work test exemption does not apply if you have previously relied on the exemption in relation to a previous financial year.

Contribution categories

There are two categories of contributions (concessional and non-concessional) and there are limits (contribution caps) that apply to them.

Concessional contributions

Concessional contributions are those made from **before-tax** income. They include:

- Employer contributions, including contributions you have made under a salary sacrifice arrangement
- Your personal contributions if you have claimed a tax deduction.

Tax is payable on concessional contributions when they are paid into your super account, so it is important that we have your tax file number (TFN). If we do not have your TFN, your concessional contributions may be taxed at a higher rate.

Concessional contributions cap

As mentioned above, there are caps that limit how much you can put into your super in concessional contributions.

For the 2020-21 financial year, the concessional contributions cap is $25,000. So if you are making concessional contributions (including your employer contributions), you can contribute up to $25,000 in this financial year before you exceed the cap.

The cap is generally indexed each year with average weekly ordinary time earnings (AWOTE[1]) and increased in increments of $2,500 (rounded down).

You may be entitled to contribute more than $25,000 in concessional (before-tax) contributions. This may be available if you did not reach your concessional contributions cap in a previous financial year, starting from 1 July 2018. These 'carry-forward' concessional contributions may be made if you have a total super balance of less than $500,000 on 30 June of the previous financial year. Commencing 1 July 2019, you will be able to access any unused amount of your concessional contributions cap on a rolling basis for five years. Amounts carried forward that have not been used after five years will expire.

The concessional contributions cap applies to all concessional contributions paid into any of your super accounts. You may have to pay additional tax for any concessional contributions that exceed the cap.

Any excess concessional contributions will be taxed at your marginal tax rate. This means the excess contributions will be added to your taxable income for that year. You will be entitled to a 15% offset to compensate for the tax already paid by the super fund. The Australian Taxation Office (ATO) will also apply an interest charge. You do have the option of having up to 85% of your excess concessional contributions refunded from your super.

All salary sacrifice contributions are treated as concessional contributions and count towards the concessional contributions cap. They are included when calculating your adjusted income for super co-contribution purposes and other government benefits. You can find more information on the ATO website at **ato.gov.au**

Different tax rules apply to your concessional contributions if your income[2] plus concessional contributions is more than $250,000 per year. Tax of 30% instead of 15% will apply to your concessional contributions once this threshold is exceeded (referred to as Division 293 threshold).

For example, if your income is $235,000 and your concessional contributions are $25,000, this takes your adjusted income to $260,000. That means tax of 30% will apply to the $10,000 above the $250,000 threshold, and 15% tax will apply to the $15,000 balance of contributions. If your income is over $250,000, excluding concessional contributions, then 30% tax will apply to all of the concessional contributions you make up to the cap.

In addition, all members up to age 67 may be able to claim a tax deduction for personal contributions they make, regardless of their work circumstances, up to their concessional contributions cap.

If you are aged between 67 and 74, you will need to meet the work test or work test exemption criteria before you are eligible to make a contribution and claim a tax deduction.

If you are 75 years or over, you can only claim a deduction for contributions you made before the 28th day of the month following the month in which you turned 75.

If you are under 18 years old at the end of the financial year in which you made the contribution, you can only claim a deduction for your personal super contributions if you also earned income as an employee or carrying on a business.

Non-concessional contributions

Non-concessional contributions include:

- Contributions you make from your **after-tax** income
- Contributions your spouse makes to your account.

Non-concessional contributions cap

For the 2020-21 financial year, the non-concessional contributions cap is $100,000. However, if your total superannuation balance is $1.6 million or greater at 30 June of the previous financial year, your non-concessional cap is nil.

If you are under 65 at any time during the financial year, you can contribute up to three times your after-tax cap (i.e. $300,000) in a financial year without being penalised. This is known as the 'bring-forward rule' and means you are bringing forward the cap for up to the next two years. The amount you can bring forward also depends on your total superannuation balance. If you have less than $1.4 million as at 30 June of the previous financial year, then you can bring forward up to three years' worth of contributions ($300,000). If your total superannuation balance is between $1.4 million and $1.5 million as at 30 June of the previous financial year, then you can bring forward up to two years' worth ($200,000). If your balance was $1.5 million or greater, but less than $1.6 million, you cannot bring forward any contributions and your non-concessional contributions cap is $100,000.

1 AWOTE is a measure of wage levels across Australia, calculated by the Australian Bureau of Statistics. **2** Income for surcharge purposes (less any reportable superannuation contributions) which equals your taxable income less any assessable first home super saver amount, plus your reportable fringe benefits, less any net investment loss for the income year.

Please note: If you contribute more than your annual non-concessional cap over the bring forward period (being $200,000 over 2 years, or $300,000 over 3 years, depending on your super balance) then these will be considered as excess non-concessional contributions. You can make the contribution in one lump sum or it can be spread over the three years. You can find more information on the ATO website at **ato.gov.au**

If you are aged between 67 and 74, you need to meet the work test or work test exemption rule mentioned earlier in this guide before we can accept your contribution.

The non-concessional contributions cap applies to all non-concessional contributions paid into your super. If you go over this cap you can withdraw the excess non-concessional contributions plus 85% of the associated earnings amount, once the ATO issues you a determination. The earnings will then be included in your income tax assessment. If you choose not to withdraw the excess non-concessional contributions, you will be taxed at the highest marginal rate (47%).[1]

What happens to my non-concessional contributions if QSuper does not have my tax file number?

If we do not have your tax file number (TFN), unfortunately we cannot accept non-concessional (after-tax) contributions from you.

We will return any non-concessional contributions you make if we do not have your TFN, or if you do not give it to us within 30 days of when we receive your non-concessional contribution. If we have to do this, we will return your contribution to you in full. You will not pay any fees or receive investment returns on the amount.

For more information about providing your TFN, read the 'Important information' section of this guide. You can also download our *Tax Explanation* factsheet from **qsuper.qld.gov.au/factsheets** or call us to request a copy.

Exemptions from the caps

There are some contributions that are not included in either contribution cap:

- Government co-contributions
- An indexed lifetime limit of $1.565 million under the small business capital gains tax concessions[2]
- Downsizer contributions[3]
- Settlement for injuries resulting in a total and permanent disability payment.

It is important to note some time limits apply to claiming exemptions from the caps. You will need to give us substantiating documents to support your claim for the exemption at the time the contribution is made. If you want to claim an exemption, make sure you seek financial advice about the tax implications and requirements to qualify.

Capital gains tax exemption

If you are a small business owner, you may be able to boost your retirement savings through a capital gains tax (CGT) exemption.

This is a complex topic, so it is wise to get personal financial advice if you are thinking about making a CGT-exempt contribution. As a QSuper member, you have access to financial advice with QInvest. Call **1800 643 893** or visit **qinvest.com.au** to book an appointment with QInvest.[4]

For more information about all the contributions that are exempt from the contribution caps, you can visit the ATO website at **ato.gov.au** or call them on **13 28 66**.

Keeping track of your contributions

It's important that you keep a record of the ongoing total of your concessional and non-concessional contributions each financial year, to make sure you do not go over the caps. The easiest way to check your contributions to QSuper is through Member Online, log in at **memberonline.qsuper.qld.gov.au** and select 'Statements and History' then 'Yearly transaction summary'.

Keep in mind that the contributions caps apply to the combined contributions going into all of your super funds, not just the amounts paid to QSuper.

1 Including Medicare levy. **2** Current for the 2020-21 financial year. This limit is indexed annually with average weekly ordinary time earnings (AWOTE) in increments of $5,000. AWOTE is a measure of wage levels across Australia, as calculated by the Australian Bureau of Statistics. **3** The downsizer contribution does not count towards your contribution caps. However, when you move your super savings into retirement phase, it will count towards your Income account transfer balance cap, which is currently set at $1.6 million **4** QInvest Limited (ABN 35 063 511 580, AFSL 238274) is a separate legal entity responsible for the financial services it provides. Advice fees may apply. Refer to the *Financial Services Guide* for more information.

Employer contributions

The contributions your employer must pay into your super

If you earn $450 or more (before-tax) in a calendar month, your employer must pay super guarantee (SG) on top of your wage or salary. The standard SG rate is 9.5% of your ordinary time earnings (OTE) salary.[1]

If you are under 18, or a private or domestic worker, such as a nanny, you must also work for more than 30 hours per week to qualify for the SG. For example, your employer will pay the SG on top of your wages for each week that you work more than 30 hours.

Please note: Queensland Government employees, and police officers, have slightly different arrangements in place.

Your employer must pay the SG, even if the following applies to your situation:

- You are a full-time, part-time or casual employee
- You receive a super pension or annuity while still working
- You are a temporary resident, such as a backpacker, or a working holiday maker. When you leave Australia, you can claim the payments you made through the Departing Australia superannuation payment (DASP) program.
- You are a company director
- You are a family member, working in the business of a relative (provided they are eligible for the SG).

The SG is also payable for some contractors, even if they quote an Australian business number (ABN). For further information, visit the ATO website at **ato.gov.au** or call them on **13 28 66**.

Employees not eligible for super

Your employer does not have to pay the SG if you are a:

- Non-resident employee that is being paid for work you do outside Australia
- Foreign executive who holds a certain visa or entry permit
- Member of the army, naval or air force reserve, being paid for work carried out in that role
- Employee temporarily working in Australia, who is covered by a bilateral super agreement. Please note: Your employer must keep a copy of your certificate of coverage to verify this exemption.

When does my employer pay my contributions?

Your employer is required to pay your contributions at least once per quarter. They have until the 28th day after the end of each quarter to pay your contributions to your super fund. The quarters end in March, June, September and December.

If you are a Queensland Government employee, your contributions are deducted from your salary each pay cycle. Your contributions are then generally paid to us within seven days of the end of your pay cycle.

You can log in to Member Online at **memberonline.qsuper.qld.gov.au** to check the details of your contributions, or call us and we can let you know.

Where you work, QSuper works too

If you are changing jobs, you can take us with you. So you won't have to worry about setting up a new account with another super fund and paying fees on multiple super accounts.

In most cases, you do not have to join the super fund your employer has nominated.[2]

1 Ordinary time earnings (OTE) salary is generally what you earn for your ordinary hours of work, including commissions, shift loadings and allowances, but not overtime payments. For more information, see ato.gov.au/super. **2** In some circumstances, you may not be eligible to have your employer contribute to QSuper. Please check with your employer.

Queensland Government employer contributions

There are three different employment arrangements that determine your contribution options:

- Core arrangements
- Other arrangements
- Casual arrangements.

Core arrangements

If you are a permanent or temporary employee, you are already contributing between 2% and 5% of your **salary for superannuation purposes**[1] into super. (These core arrangements also apply to police cadets.) These personal contributions are known as **standard member contributions** and are normally made after you have paid income tax. Your employer will also contribute between 9.75% and 12.75% of your gross salary on a sliding scale. Your employer is required to ensure that the contribution is at least 9.5% of OTE and will pay a top-up employer contribution if this is not the case.

You pay	Your employer pays	Total contributed to your super
2%	9.75%	11.75%
3%	10.75%	13.75%
4%	11.75%	15.75%
5%	12.75%	17.75%

Your standard member contributions will default to 5% (after-tax) of your salary for superannuation purposes when you first start working, but you can change your contribution amount at any time and you may also be able to change from after-tax to pre-tax contributions (salary sacrifice). You can also make voluntary contributions to help boost your retirement savings.

If you want to change your contribution rate, you can fill out the *Start or Change Regular Contributions to Your Super* form and give it to your payroll office, or contact your salary sacrifice provider if applicable. You can find the form on our website at **qsuper.qld.gov.au/forms** or call us to request a copy.

Core arrangements for police officers

Your contribution rates are different if you are a police officer. When you start work as a police officer, you will automatically contribute 6% of your salary for superannuation purposes to your super and your employer will contribute 18%. You can choose to pay less, in which case, so will your employer.

You pay	Your employer pays	Total contributed to your super
3%	12%	15%
4%	14%	18%
5%	16%	21%
6%	18%	24%

If you are a commissioned police officer (and have a contract to let you stay in the service over the age of 60), you contribute between 2% and 5% of your salary plus any approved allowances. Your employer contributes between 9.75% and 12.75%.

Other arrangements

If you are employed under other arrangements, your employer may negotiate different super contributions. They may also specify a standard member contribution at a single rate, which is usually 5% of your salary for superannuation purposes.

In some cases, employers do not allow for standard member contributions to be made, and will only pay the standard SG rate of 9.5% of OTE. But you will still have the option to make voluntary contributions into your account. Speak to your payroll office to organise this.

Casual arrangements

If you are a casual employee, your employer must contribute the standard SG rate of 9.5% of your OTE salary to your super.

You do not have to make standard member contributions, but if your employer lets you, it can be a simple and effective way to boost your retirement savings.

You can also make voluntary contributions, but your employer does not have to increase their contributions above 9.5% if you choose to do this.

Members of the Legislative Assembly

If you are a Member of the Legislative Assembly, your total salary is used to calculate contributions, including your backbencher salary and any additional salary you are entitled to when holding office.

1 Salary for superannuation purposes is your permanent salary and any allowances that have been approved for inclusion by Governor in Council.

Voluntary contributions

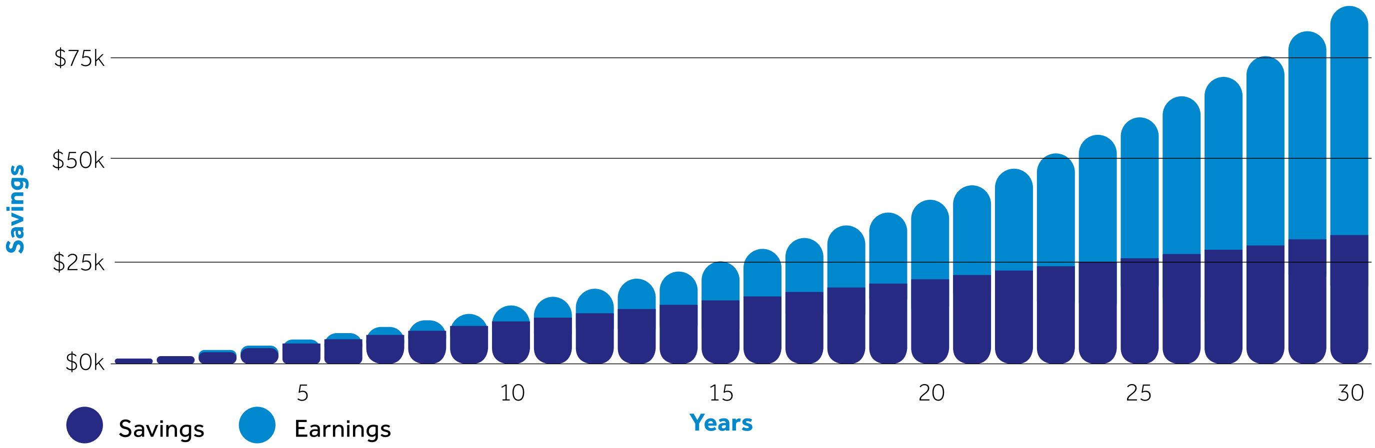
The contributions you choose to make

Voluntary contributions are a great way to give your super a boost. All the contributions you make to your super, big or small, have the potential to grow over the long term – meaning more money for your retirement.

And the earlier you start, the better, as you'll benefit from the effects of compound interest. Put simply, compounding is where your investment earns interest (earnings) on interest. The graph below shows how this generally works.

For example, by contributing just $20 per week, after 30 years, you could have over $85,000 – and only about $30,000 came from your own pocket![1] That's more than $50,000 of earnings just from compound interest. As more years pass, an increasingly larger proportion of the final amount is made up of earnings.

How compounding can maximise your investment[1]



Although QSuper's Accumulation account is unit-based, the same principle of compounding helps your super grow. Contributing a little extra now could make a big difference to your future lifestyle.

Note that any voluntary contributions are made on top of your standard member contributions, so they will not attract higher employer contributions.

How to make voluntary contributions

There are a few different options for how you can make voluntary contributions:

1. **Through your employer:** If you work for the Queensland Government, you can make voluntary contributions direct from your pay. You just need to fill out a *Start or Change Regular Contributions to your Super* form and give it to your payroll office, or contact your salary sacrifice provider if applicable. Talk to your employer directly about setting this up if you do not work for a Queensland Government employer.
2. **Complete a *Deposit* form:** You can download and complete this form either from our website or call us to request a copy. Include a cheque or money order for the amount you want to deposit.
3. **Via BPAY®:** Making voluntary contributions via BPAY® is easy. Just use the individual BPAY details listed in Member Online or on your annual statement. If you can't find the BPAY details, call us and we can help. The minimum contribution we can accept through BPAY is $1. We can accept the contribution once your bank transfers your funds to QSuper.
4. **Visit a Member Centre:** You can make contributions in person with cash (a maximum deposit amount of $1,000 applies) or by EFTPOS (any daily transaction limits set by your bank will apply) at one of our Member Centres.

Claiming a tax deduction

You may be able to claim a tax deduction for personal (after-tax) contributions, regardless of your employment status up to your concessional cap. For more information about claiming a tax deduction on your super, including eligible contribution types, please read the *Notice of Intent to Claim or Vary a Deduction for Personal Super Contributions* form available at **qsuper.qld.gov.au/forms**

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1 These figures are illustrative only and were calculated using the MoneySmart calculator www.moneysmart.gov.au (accessed 9 May 2019). Assumptions: 1. The calculation assumes savings of $20 per week for a time period of 30 years. 2. The calculation assumes the interest compounds monthly. 3. The interest rate assumed is 6% p.a. and is net of fees and taxes. 4. The calculation assumes that earnings are reinvested and fully credited at the end of each month. 5. The information should not be used as a guide to future performance of any investment. 6. Investment returns can be positive or negative and this does not guarantee a future outcome. 7. The total saved does not take inflation into account. 8. Check with your chosen savings product provider in regard to actual interest calculations. 9. The calculation provides an estimate of the future value of savings, which could vary significantly over time if any change is made to these assumptions. 10. These figures are provided only to demonstrate the principle of compounding. They are not intended to represent projected returns in a QSuper Accumulation account.

Benefits of salary sacrifice

Salary sacrificing is when you contribute a portion of your salary to your super before you pay any tax on it, which lowers the amount of salary you pay income tax on.

Salary sacrifice contributions are taxed at 15%[1] by your super fund, which may be less than the tax you pay on income. For many people, salary sacrifice can be beneficial because you can effectively reallocate what would otherwise be paid in tax to your super account. Remember to stay under your concessional contributions cap.

This can be a tax-effective way of making contributions, as when you salary sacrifice, you pay 15% tax on your contributions instead of your marginal tax rate (which could be up to 45%).[2]

If you are already making contributions you could contribute your tax savings into your super. You could potentially boost your super without necessarily decreasing your take-home pay.

If you are on a lower income, salary sacrifice might not be right for you, as your income tax rate may be lower or only marginally higher than the superannuation contributions tax rate.

To understand whether you could benefit from salary sacrificing your super, try the calculators on our website at **qsuper.qld.gov.au/calculators-and-forms**

Salary sacrifice case study

Jane works for the Queensland Government. She earns $72,500 per year, and makes standard after-tax contributions to her super of $3,625 per year.

If she makes this contribution to her super as a before-tax salary sacrifice contribution, her income tax will decrease from $16,560[3] per year to $15,309[3] per year.

That means her take-home pay **increases** from $52,315 to $53,566.[4] Jane could then contribute the difference to her super, meaning she is boosting her super without necessarily affecting her take-home pay.

Claiming a tax deduction for personal contributions

If you are under 75 years of age, you may be able to claim a tax deduction for personal contributions, regardless of whether you are self-employed or not.

Some restrictions and conditions apply, including that if you are between age 67 -74 you need to meet the work test[5] or work test exemption to be eligible to make a contribution, and therefore claim a deduction.

Note that the personal contributions you choose to claim a tax deduction for are considered concessional contributions, so they count towards your concessional contributions cap.

Before you make these types of contributions, it's a good idea to get advice from your accountant, financial adviser, or the ATO to see whether it is the best strategy for you.

Claiming tax deductions on personal contributions

If you want to claim a tax deduction on personal contributions to your super, 15% contributions tax will be deducted from the amount you claim. The amount you claim will also count towards the concessional contributions cap.

To make a tax deduction claim, you need to be a member of QSuper and make a personal contribution to your QSuper Accumulation account in the financial year you want to claim the deduction (we must have received these contributions before 30 June of that financial year).

There are some age restrictions on claiming a tax deduction for personal contributions:

- If you are age 75 or older, you cannot claim a deduction for contributions that were made more than 28 days after the month you turned 75.
- If you are under age 18 at the end of the financial year in which you make the contribution, you must have earned income as an employee or a business operator during the year.

1 Tax of 30% will apply if your income plus concessional contributions is more than $250,000 per year. Please see page 4 for more information. **2** Plus applicable levies. **3** Including 2% Medicare levy. **4** This case study is for illustrative purposes only to show how salary sacrificing works, and does not take into account your personal tax liability. The calculation is based on tax rates for the 2020-21 financial year and it is assumed for the purpose of the case study that all terms and conditions have been met. Additionally, figures may be rounded up for ease of understanding. **5** For more information on the work test and the work test exemption, see page 3 of this guide.

Claiming a tax deduction for personal contributions (Cont'd)

Care is needed where the source of contributions is a company or a trust. If these contributions are your personal contributions made by direction, this needs to be clear, because otherwise, they will be regarded as being employer contributions.

For more information or help claiming a tax deduction, refer to the Australian Taxation Office (ATO) *Notice of intent to claim or vary a deduction for personal super contributions* form (NAT 71121) or call the ATO on **13 10 20**. You can also speak with your accountant or tax adviser.

For information on how to make contributions, call QSuper on **1300 360 750**.

When deciding whether to claim a deduction for super contributions, consider the superannuation impacts that may arise from this, including whether:

- You will exceed your contributions cap across all your super accounts
- You wish to split your contributions with your spouse
- It will affect your eligibility for the government super co-contribution
- Division 293 tax applies to you as a high income earner.

Contributions you can claim

You can claim a tax deduction for personal super contributions (after-tax/non-concessional contributions) you have made throughout the financial year including:

- Voluntary contributions made when transferring funds from your bank account to your QSuper account (e.g. using BPAY®)
- Standard member contributions made after-tax (this is the default contribution arrangement for most employees of the Queensland Government and related entities).

Check how much you paid to us in personal contributions in Member Online under 'Transaction summary'. (Note that we may not yet have received all contributions on your behalf.)

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How do I claim a tax deduction?

You can tell us you want to claim a tax deduction when you make a personal contribution, by completing the *Deposit* form. Alternatively, you can complete and send us a *Notice of Intent to Claim or Vary a Deduction for Personal Super Contributions* form before:

- The day you lodge your tax return for the year you made the contributions, or
- The end of the financial year following the one you made the contributions (whichever is earlier).

The *Deposit* form and the *Notice of Intent to Claim or Vary a Deduction for Personal Super Contributions* form are available on our website at **qsuper.qld.gov.au/forms** or you can call us to request a copy of the form you need. Once we receive and acknowledge your notice of intent to claim a tax deduction, you cannot withdraw it, but you can apply to reduce it. You can do this before:

- You lodge your income tax return for the year you made the contributions, or
- The end of the financial year after the year the contribution was made (whichever is earlier).

You cannot apply to reduce the amount if you are no longer a member, if we no longer hold the contribution, or if we have begun to pay an income stream based on the contribution. Keep your acknowledgement letter with your other tax documents and when you lodge your tax return, state the amount you are claiming in the supplementary section of your tax return.

If the balance of your QSuper account is less than the amount of contributions tax that would be payable on the contribution, we may not accept your notice to claim a tax deduction.

You cannot claim a tax deduction for contributions that were:

- Withdrawn from your QSuper Accumulation account (including early access)
- Transferred out of your QSuper Accumulation account to a QSuper Income account or to another super fund (including an overseas fund)
- Split with your spouse
- Concessional contributions (e.g. superannuation guarantee contributions or salary sacrifice contributions)
- Released to you and then you recontribute to QSuper under the First Home Super Saver Scheme (FHSSS)
- Transferred to QSuper from a different super fund, or a foreign super or retirement fund
- Received via a spouse contribution split or family law determination
- Made as a downsizer contribution.

For tax deductions claimed on contributions you made prior to **1 July 2017**, additional eligibility criteria apply. Refer to the ATO website – **ato.gov.au**

Super and your spouse

Definition of spouse

A spouse includes someone with whom you are in a registered relationship, or someone you are living with on a genuine domestic basis (including same sex relationships).

Opening an account

Your spouse can make an application to open an account by visiting **qsuper.qld.gov.au/join** or by completing the *Open an Accumulation Account* form attached to our *QSuper Product Disclosure Statement for Accumulation and Income Accounts*. Your spouse can then arrange for their employer to contribute their super to this account by completing a *Choice of Fund* form, and they can also consolidate all their super into it.

Making spouse contributions

Making contributions to your spouse's account could be a real win-win, because depending on their income, you may be able to claim a tax offset.

For example, if your spouse earns[1] $37,000 per year or less, you are entitled to a tax offset of 18% for the first $3,000 of any spouse contribution you make, up to a maximum amount of $540 per year.[2] If your spouse earns more than $37,000 per year but less than $40,000 per year, you could be eligible for a partial tax offset.

You will not be entitled to the tax offset when your spouse receiving the contribution:

- Exceeds their non-concessional contributions cap for the relevant year; or
- Has a total superannuation balance equal to or exceeding the general transfer balance cap[3] of $1.6 million immediately before the start of the financial year in which the contribution was made.

Any contributions you make on behalf of your spouse count towards their non-concessional contributions cap.

Spouse contributions case study

Steve is 39 and earns $75,000 per year, and Amy is 37 and earns $38,000 per year. Steve contributes $120 per fortnight to Amy's Accumulation account ($3,120 per year).

Remembering that only the first $3,000 receives the tax offset, Steve's tax offset is calculated like this:

($3,000 - ($38,000 - $37,000)) x 18%

Steve could get a total tax offset of $360.[2]

1 Income is defined as assessable income plus any reportable fringe benefits and reportable employer superannuation contributions (RESC). **2** This is just an example that is provided for illustrative purposes. The tax offset that can be claimed is the lesser of: 18% of ($3,000 - (spouse's financial year income - $37,000)), or 18% of total spouse contributions in the financial year. **3** The transfer balance cap limits the amount you can transfer to a retirement phase pension account, that has tax-free investment earnings. Your transfer balance cap is determined using a number of factors, including the general transfer balance cap when you first opened an eligible pension, indexation applied to the cap, and the total amount you have transferred to an eligible account.

Requirements for spouse contributions

If you want to make contributions for your spouse, there are a few requirements:

- Your spouse must meet the definition of 'spouse'.
- You and your spouse must be Australian residents at the time you make or receive the contribution.
- You and your spouse must not be living separately or apart on a permanent basis at the time you make the contribution.
- The person whose account the contribution is going into must provide their tax file number.
- The person whose account the contribution is going into must be under age 67.
- If the person whose account the contribution is going into is age 67 or over but under age 75, they must:
  - Meet the work test, by working at least 40 hours over 30 consecutive days in the financial year you make the contributions, or
  - Meet the work test exemption, by meeting the work test in the previous financial year, having a total superannuation balance below $300,000 at 30 June of the previous financial year, and having not made or received a work test exemption contribution in any previous financial year.
- The contributing spouse cannot make the contribution as an employer or from a trust.

Consolidate your super

If you have worked for a few different employers, chances are you could have numerous super accounts. But if you consolidate all your super into one account, you could maximise your investments while potentially reducing the number of fees you're paying.

It's easy for you to get your super together in one place with QSuper, and we don't charge you any fees to consolidate. Ensure you check whether you would lose any benefits like insurance or pension options with your other super funds.

You may also be able to transfer your insurance cover with another Australian super fund to QSuper, but you must do this before you consolidate your super with QSuper. For more information, see our *Accumulation Account Insurance Guide*. You can download the guide from our website at **qsuper.qld.gov.au/guides** or call us to request a copy.

To consolidate your super, log in to Member Online and click 'Consolidate', or complete a *Consolidate with QSuper* form for each account you want to roll over. Visit **qsuper.qld.gov.au/forms** or call us and we can send you as many copies of this form as you need.

Contributions from the Australian Government

Super co-contribution

The super co-contribution is an initiative that encourages you to add more to your super. The Australian Government will contribute up to 50 cents for every $1 in non-concessional contributions you make to your super, up to a maximum of $500, if you meet all of the following criteria:

- Your total income[1] is less than $54,837 for the 2020-21 financial year
- You made a non-concessional (after-tax) contribution before 30 June of the financial year
- 10% or more of your total income was earned from eligible activities, including being an employee, running a business, or both
- You are under age 71 at the end of the financial year
- You have not held an eligible temporary resident visa at any time during the financial year
- You have lodged a tax return for the financial year
- You have a total superannuation balance less than $1.6 million on 30 June of the previous financial year
- You have not contributed an amount more than your non-concessional contributions cap
- You are not entitled to a super co-contribution for any personal contributions you have made that have been allowed as a tax deduction.

Super co-contribution income thresholds

To be able to receive the maximum co-contribution, your total income must be less than $39,837 for the 2020-21 financial year. The co-contribution reduces on a sliding scale, as shown in the table below:

Total income	After-tax contribution required for maximum super co-contribution	Maximum super co-contribution
$39,837	$1,000	$500
$44,837	$666	$333
$49,837	$334	$167
$54,837	$0	$0

The ATO uses the information on your income tax return and the contribution information from your super fund to work out whether you are eligible for a co-contribution.

If you are eligible for the co-contribution, the ATO will automatically calculate the amount and deposit it into your super account.

The ATO does not include spouse contributions when assessing eligibility, and the co-contribution does not count towards the contribution caps. For more information, see our *Superannuation Co-contribution* factsheet on our website at **qsuper.qld.gov.au/factsheets** or call us to request a copy.

Low Income Superannuation Tax Offset (LISTO)

This initiative is to help boost your retirement savings. If you are eligible, the Australian Government will refund the tax you paid on your before-tax contributions back into your super, up to a maximum of $500. To be eligible, your taxable income must be less than $37,000 per year.[2]

1 Your income is the sum of your assessable income for the financial year, excluding assessable FHSS released amounts for the financial year, your reportable fringe benefits total (RFBT) for the financial year and your total reportable super contributions for the financial year, less your allowable business deductions. **2** Your adjusted taxable income is the income you get taxed on, disregarding any First Home Super Saved released amount, plus any adjusted fringe benefits, target foreign income, total net investment loss, any pension or benefit that you get from the Government that's tax-free, and any reportable superannuation contributions, less any deductible child maintenance expenditure for that year.

Other information

Downsizer contributions

If you're aged 65 and over, the downsizer contribution allows you to contribute up to $300,000 extra into your super from the proceeds of selling your home. If you have a spouse, the combined total contribution is up to $600,000 ($300,000 each).

The downsizer contribution doesn't count towards the contribution caps and can still be made if you have a super balance over $1.6 million.

Downsizer contributions must be made within 90 days of receiving the proceeds of the sale, which is usually the date of settlement.

Please see our *Downsizer contribution* factsheet for further information about eligibility and how to make a downsizer contribution.

Advice

As a QSuper member, you have access to personal advice with QInvest.

If you want to know more about QInvest and how they could help you, visit **qinvest.com.au**[1]

Topics in this guide

For more information about the topics in this guide, see our other publications:

- *Deposit* form
- *Consolidate with QSuper* form
- *Early Release of Superannuation Benefits due to Severe Financial Hardship* factsheet
- *Compassionate Grounds Guide*
- *Notice of Intent to Claim or Vary a Deduction for Personal Super Contributions*
- *Start or Change Regular Contributions to Your Super* form
- *Consolidating Your Super with QSuper* factsheet
- *Superannuation Co-contribution* factsheet
- *Tax Explanation* factsheet
- *Downsizer Contribution into Superannuation* form.

These are all available on our website at **qsuper.qld.gov.au/calculators-and-forms/publications/** or you can call us to request a copy.

If you have questions

To find new ways to get more out of your super, try the tools and calculators on our website at **qsuper.qld.gov.au**

If you have any questions about making personal contributions, please call us on **1300 360 750**.

1 QInvest Limited (ABN 35 063 511 580, AFSL 238274) is a separate legal entity responsible for the financial services it provides. Advice fees may apply. Refer to the *Financial Services Guide* for more information.

Notes

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