

Downsizer Contribution

This factsheet explains what the downsizer contribution is and how it works

What is the downsizer contribution?

The downsizer contribution is an amount of up to \$300,000 that can be paid in to your super, from the proceeds of selling your home. If you have a spouse, the total contribution is up to \$600,000 (\$300,000 each).

A downsizer contribution does not count towards your contribution caps,¹ and can still be made if you have a total super balance greater than \$1.6 million.

Downsizer contributions are only available where the contract of sale was exchanged on or after 1 July 2018, and must be made within 90 days of receiving the proceeds of sale.

Who is eligible?

Eligibility is determined by the Australian Taxation Office (ATO). The ATO outlines eligibility to make a downsizer contribution as follows:

You (and if applicable, your spouse) will be eligible to make a downsizer contribution to super if you can answer yes to all of the following:

- ✔ You are 65 years old or older at the time you make a downsizer contribution (there is no maximum age limit)
- ✔ The amount you are contributing is from the proceeds of selling your home, where the contract of sale was exchanged on or after 1 July 2018
- ✔ Your home was owned by you or your spouse, for 10 years or more prior to the sale (the ownership period is generally calculated from the date of settlement of purchase, to the date of settlement of sale)
- ✔ Your home is in Australia and is not a caravan, houseboat, or other mobile home
- ✔ The proceeds (capital gain or loss) from the sale of the home are either exempt, or partially exempt from capital gains tax (CGT) under the main residence exemption, or would be entitled to such an exemption, if the home was a CGT rather than a pre-CGT (acquired before 20 September 1985) asset
- ✔ You have provided your super fund with the *Downsizer Contribution into Superannuation* form either before, or at the time of making your downsizer contribution
- ✔ You make your downsizer contribution within 90 days of receiving the proceeds of sale, which is usually at the date of settlement
- ✔ You have not previously made a downsizer contribution to your super from the sale of another home.

Please note

If you sold your house and your name (and not your spouse's) was listed on the title of your property, your spouse can still make a downsizer contribution, or have one made on their behalf, provided you both meet the eligibility criteria.

If you have a spouse, the combined total contribution is up to \$600,000 (\$300,000 each), and both you and your spouse will need to complete a *Downsizer Contribution* form.

Downsizer contribution examples²



A couple sells their home for **\$400,000**

The maximum contribution cannot exceed \$400,000 in total. This means they can choose to **contribute half each, or split it** – for example, \$300,000 into one account and \$100,000 into the other.



A couple sells their home for **\$600,000**

Out of John and Fatima, only John is on the title. They both meet all the other requirements, therefore John and Fatima can make a downsizer **contribution of up to \$300,000 each.**



A couple sells their home for **\$800,000**

Each spouse can make a **contribution of up to \$300,000.**

¹ Contribution caps – Limits that apply in relation to how much you can add to your super. Refer to QSuper's *Accumulation Account Guide* for more information. ² Provided for illustrative purposes only. Source: ato.gov.au accessed on 29 October 2018.

How to make a downsizer contribution

- ✓ Check your eligibility to make the contribution
- ✓ Complete the attached *Downsizer Contribution into Superannuation* form
- ✓ Send this form to QSuper (contact details provided below)
- ✓ Ensure that you send QSuper this form **before** or **at the time** that you make your downsizer contribution.

Please note

If you complete the ATO's Downsizer contribution into superannuation form instead of QSuper's form (attached), you will also need to complete our *Deposit* form available at qsuper.qld.gov.au/forms

What if the ATO determines that I'm not eligible?

Eligibility to make a downsizer contribution is determined by the ATO. If the ATO subsequently determines that your contribution does not meet the downsizer contribution eligibility requirements, they will notify you, and us as your super fund.

Once we are notified, we will assess whether your contribution could have been made as a personal contribution, and which contribution cap it will count towards.

If it is decided your contribution can not be accepted, we will return the contribution amount to you.

What else should I know?

- While the downsizer contribution must be made within 90 days of receiving the proceeds of sale, in some circumstances you may be able to request an extension from the ATO. Please contact the ATO for more information.
- 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 transfer balance cap,¹ currently set at \$1.6 million.
- You can make more than one downsizer contribution from the proceeds of a single sale (up to your limit). However, all contributions must be made within 90 days of receiving the proceeds of sale, unless you have been granted an extension.
- Downsizer contributions are not tax deductible.
- Downsizer contributions will be taken into account for determining eligibility for the Age Pension.

Where can I find more information?

The ATO provides detailed information on downsizer contribution eligibility.

Visit ato.gov.au/downsizing or call the ATO on **13 10 20**.

Where to send this form

Please send your completed form to us by:

Post

QSuper
GPO Box 200
Brisbane QLD 4001

Email

qsuper@qsuper.qld.gov.au



Financial advice

A financial adviser may be able to help you grow your super, pay less tax, plan for retirement, and more. As a QSuper member, you have access to financial advice from QInvest.² Call **1800 643 893** to book an appointment with QInvest.

For more information

If you have any questions about this information, call us on **1300 360 750**, we'll be happy to discuss your options.

¹ Transfer balance cap – A limit on the total amount of superannuation that can be transferred into the retirement phase. ² QInvest Limited (ABN 35 063 511 580, AFSL 238274) (QInvest) is a separate legal entity responsible for the financial services it provides. Advice fees may apply.

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While we have taken every care to ensure the information contained in this document is accurate, it should not be regarded as a guarantee of entitlements and you should seek professional advice before making a decision.

Downsizer Contribution into Superannuation

When to use this form

Complete this form if you want to make a downsizer contribution to your QSuper account. You can make a downsizer contribution by:

- **Cheque or money order** – made payable to QSuper. Please make sure cheques are crossed and marked 'not negotiable'
- **BPAY®** – using the details listed on your annual statement or available through Member Online. **Remember to send your completed form to us prior to making your BPAY® deposit. Forms can be emailed to qsuper@qsuper.qld.gov.au**

1 Personal details

Client number

You can find your client number on your annual statement or by logging in to Member Online.

Title

Given names

Surname

Previous name¹ (if we know you by another name)

Date of birth (dd/mm/yyyy)

Home phone number

Mobile phone number

Work phone number

Email address

Residential address

State

Postcode

Postal address

Same as residential address

State

Postcode

Please confirm you meet the necessary eligibility to make a downsizer contribution below.

- I am aged 65 or over and meet the eligibility requirements specified in the *Downsizer Contribution* factsheet (attached to this form) to make a downsizer contribution.

¹ If your name has changed, please send us a certified copy of either a marriage certificate (issued by Births, Deaths and Marriages) or other legal change of name document.

Providing your tax file number

Under the *Superannuation Industry (Supervision) Act 1993*, your super fund is authorised to collect your tax file number (TFN), which will only be used for lawful purposes. These purposes may change in the future as a result of legislative change. If you transfer your super to another fund we may disclose your TFN to the other super provider unless you tell us not to in writing. It is not an offence not to quote your TFN. However, providing your TFN to your super fund will have the following advantages (which may not otherwise apply):

- Your super fund will be able to accept all types of contributions to your account(s)
- The tax on employer contributions to your super account(s) will not increase
- Other than the tax that may ordinarily apply, no additional tax will be deducted when you start drawing down your super benefits
- It will make it much easier to trace different super accounts in your name so that you receive all your super benefits when you retire.

Your TFN

If you have already given us your TFN, you don't need to provide it again.

! Important information

- Please ensure QSuper receives this form (signed and dated) before, or when we receive your downsizer contribution.
- Each person (i.e. both you and your spouse, if applicable) making a downsizer contribution needs to complete a separate form.
- Without this form, QSuper is obliged to treat your contribution as a personal contribution, which will count towards your contribution caps.

For help checking your eligibility:

- Read the attached factsheet.
- Visit ato.gov.au/downsizing or call **13 10 20**.
- Call us on **1300 360 750** for more information.

2 Details of deposit

How much is your downsizer contribution?

\$

The maximum downsizer contribution is \$300,000. Any amount over \$300,000 will not be accepted as a downsizer contribution.

Downsizer contributions do not count towards contribution caps.

How do you want to invest this deposit?

- I would like QSuper to invest my deposit according to my current investment choice for future contributions.
- OR
- Invest the money as specified below.

Investment option	Amount	OR	Percentage
Lifetime	\$ <input type="text"/>		<input type="text"/> %
Moderate	\$ <input type="text"/>		<input type="text"/> %
Balanced	\$ <input type="text"/>		<input type="text"/> %
Socially Responsible	\$ <input type="text"/>		<input type="text"/> %
Aggressive	\$ <input type="text"/>	OR	<input type="text"/> %
Cash	\$ <input type="text"/>		<input type="text"/> %
Diversified Bonds	\$ <input type="text"/>		<input type="text"/> %
International Shares	\$ <input type="text"/>		<input type="text"/> %
Australian Shares	\$ <input type="text"/>		<input type="text"/> %
Total	\$ <input type="text"/>		<input type="text"/> %

(Percentages must add up to 100%)

Before you choose how you want your money invested, and to understand how unit pricing works, read our *Investment Choice Guide* available at qsuper.qld.gov.au/guides or call us to request a copy.

If you do not tell us how you want your money invested, we will invest it according to your current investment choice for future contributions.

3 Declaration and authorisation

- By signing this form, you are confirming that you understand:
 - A downsizer contribution is included as a superannuation asset for the Age Pension means test.
 - You are not able to claim a personal superannuation contribution tax deduction for a downsizer contribution.
 - If the ATO becomes aware that your contribution does not meet the downsizer eligibility requirements, the ATO will notify QSuper. We will then need to assess whether your contribution could have been made as a personal contribution, and then it will count towards your contribution caps. If your contribution can not be accepted, we will return it to you.
- I have read and understood this form.
- I confirm I meet all eligibility requirements to make a downsizer contribution.
- I declare that the information I provided in this form is true and correct.

Providing false or misleading information on this form may result in the ATO imposing an administrative penalty.

Name

Signature

(Please sign in blue or black pen – QSuper does not accept electronic signatures on this form)

Date signed (dd/mm/yyyy)

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Member Centres

70 Eagle Street, Brisbane
63 George Street, Brisbane
Sunshine Coast University Hospital, Ground Floor,
Main Hospital Building, 6 Doherty Street, Birtinya

Member Service team

Phone 1300 360 750
Overseas +61 7 3239 1004
Monday to Thursday 8.30am – 5.00pm (AEST)
Friday 9.00am – 5.00pm (AEST)

Postal address GPO Box 200, Brisbane QLD 4001

Email qsuper@qsuper.qld.gov.au

Fax 1300 242 070

Website qsuper.qld.gov.au

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