

Superannuation

Government co-contribution



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The superannuation co-contribution is a Federal Government initiative to assist low and middle-income earners to build their super savings.

To be eligible you must:

- make a personal non-concessional contribution to a complying super fund or Retirement Savings Account (RSA)
- have total income (assessable income, reportable employer superannuation contributions and reportable fringe benefits less certain business deductions) of less than \$61,920 for 2009/10
- receive 10 per cent or more of your total assessable income, reportable employer superannuation contributions and reportable fringe benefits from eligible employment, carrying on a business or a combination of both
- be less than 71 years of age at the end of the relevant financial year
- not be the holder of a temporary visa (with some minor exceptions), and
- lodge an income tax return for the relevant year.

Note that the amount you receive as a government co-contribution depends on the level of your income – see the Super co-contribution table.

What is a super co-contribution?

Provided you're eligible and make a personal non-concessional contribution to your super, the Federal Government will kick in up to \$1,000 into your super fund.

What is a personal non-concessional contribution?

Personal non-concessional super contributions are the amounts you choose to contribute to your super fund from your after tax income, and for which no tax deduction is claimed.

How do you apply for the super co-contribution?

You do not need to apply for the super co-contribution. If you are eligible, all you need to do is make your personal non-concessional contributions to your super fund or RSA and lodge an income tax return.

The Australian Taxation Office (ATO) will use the information in your income tax return and the contribution information from your super fund or RSA to work out whether you are eligible. If you are eligible, the ATO will automatically calculate the appropriate amount and deposit this into your super fund.

When will my super co-contribution be paid?

Your co-contribution is calculated after you have submitted your annual tax return. Your super fund reports your annual contribution information to the ATO. Accordingly, once these two items have been received and your eligibility confirmed by the ATO, the super co-contribution will be paid into your super account.

Super co-contribution table

	From 1 July 2009, if your personal non-concessional contribution is:			
	\$1,000	\$800	\$500	\$200
And your income is:	The Government will contribute:			
\$31,920 or less	\$1,000	\$800	\$500	\$200
\$33,920	\$933	\$800	\$500	\$200
\$35,920	\$866	\$800	\$500	\$200
\$37,920	\$800	\$800	\$500	\$200
\$39,920	\$733	\$733	\$500	\$200
\$41,920	\$666	\$666	\$500	\$200
\$43,920	\$600	\$600	\$500	\$200
\$45,920	\$533	\$533	\$500	\$200
\$47,920	\$466	\$466	\$466	\$200
\$49,920	\$400	\$400	\$400	\$200
\$51,920	\$333	\$333	\$333	\$200
\$53,920	\$266	\$266	\$266	\$200
\$55,920	\$200	\$200	\$200	\$200
\$57,920	\$133	\$133	\$133	\$133
\$59,920	\$66	\$66	\$66	\$66
\$61,920	\$0	\$0	\$0	\$0

Case study

Tracey, age 42

Tracey works part time as an assistant child care worker and earns \$22,000 per annum.

In June, Tracey makes a personal contribution to her super fund of \$1,000. Upon lodging her tax return, the ATO will make an additional co-contribution of \$1,000 to her super fund.

Need more information?

To find out how you can boost your super savings, please speak to your financial adviser today.

Contact your financial adviser

Important information

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