



Super co-contributions and your PSSap super

Who should read this?

Any member whose total income, made up of assessable income and reportable fringe benefits, is less than \$61,920 in a financial year.

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What you should know upfront

It is important that you read the disclaimer at the end of this fact sheet. Before making any decisions, please read the **PSSap product disclosure statement** and consider seeking advice from a licensed professional such as a financial planner, accountant or solicitor.

What is the super co-contribution?

The government super co-contribution is designed to assist eligible individuals who earn less than \$61,920 a year and make personal (after-tax) contributions to save for their retirement.

Am I eligible for the super co-contribution?

You may be eligible for the super co-contribution in a year of income if:

- > you are an Australian resident or New Zealand resident working in Australia
- > your 'total income' (assessable income plus reportable fringe benefits) is less than \$61,920 (this may be different to your taxable income)
- > 10% or more of your total income is from eligible employment
- > you do not hold an eligible temporary resident visa at any time during the year
- > you lodge an income tax return for the year of income
- > you are less than 71 years old at the end of the year of income.

What does 'total income' mean?

Your 'total income' is your assessable income plus your reportable fringe benefits.

Assessable income includes (but is not limited to):

- > salary or wages, as well as any bonuses or overtime pay received
- > any dividends, income and fund earnings gained on investments (including bank interest and gross rent from property)
- > net capital gains and super lump payments
- > partner's share of the net income of the partnership
- > distribution from a trust.

Reportable fringe benefits are non-cash benefits given with employment, for example, a car or accommodation.

Do I need to apply for the super co-contribution?

No, you do not need to apply for the super co-contribution or fill in any forms. If you are eligible, all you need to do is make personal contributions (after tax) to a super fund (such as the PSSap) and lodge an income tax return.

The Australian Tax Office will use the information on your income tax return and contribution information we give them to work out whether you are eligible. If you are, then they will automatically calculate the super co-contribution amount and deposit it into your super account.

How can I make a personal after-tax contribution?

There are several options available to you if you want to make a personal after-tax contribution to the PSSap:

1. You can make a payment using BPAY. Go to www.pssap.gov.au then to **Your account**. Login using your access number and click on **Contributions** and follow the prompts to generate your BPAY and customer reference number.

If you don't have an access number call us on **1300 725 171** and we can give you one over the phone.

2. You can arrange for your employer to deduct super contributions from your salary, simply contact your payroll department.

3. You are also able to make a personal contribution via cheque or money order.

Send it to:

PSSap, PO Box 22, Belconnen ACT 2616

All of the above payments can be regular or one-off contributions to your PSSap super account.

When will my super co-contribution be paid?

Your super co-contribution is payable after:

- > you lodge your income tax return
- > your super fund lodges a member contributions statement (MCS) for you
- > the Australian Tax Office receives any extra information needed.

The PSSap will usually send your contribution information by 31 October, after the end of financial year. Once the Australian Tax Office receives all the necessary information, your super co-contribution will usually go to your super account within 60 days.

How will I know that I have received the super co-contribution?

The Australian Tax Office will send you a letter with details about your super co-contribution amount after it has been paid to your super account. The super co-contribution will usually be paid to the super fund to which you make personal contributions.

How will the super co-contribution be taxed?

The super co-contribution will be treated as a non-concessional contribution for taxation purposes, which means it will not be subject to any tax when paid into your account.

How much will I receive?

The government will contribute up to \$1 for every \$1 of personal contributions (after tax) made to a person's nominated super fund, up to \$1,000. The full \$1,000 will be available to anyone earning a total income of up to \$31,920.

If you earn more than \$31,920, 3.33 cents will be deducted from the maximum super co-contribution for every dollar earned over \$31,920.

Example

If you earn a total income of \$44,342:

- Find out by how much your total income exceeds \$31,920
 $\$44,342 - \$31,920 = \$12,422$
- Find out how much the super co-contribution will reduce.
 $\$12,422 \times \$0.033 = \$409.93$
- Your super co-contribution is therefore:
 $\$1,000 - \$409.93 = \$590.07$

	If your personal superannuation contribution (after tax) is:			
	\$1,000	\$800	\$500	\$200
And your income is:	Your super co-contribution will be:			
\$31,920 or less	\$1,000	\$800	\$500	\$200
\$33,920	\$934	\$800	\$500	\$200
\$35,920	\$866	\$800	\$500	\$200
\$37,920	\$800	\$800	\$500	\$200
\$39,920	\$734	\$734	\$500	\$200
\$41,920	\$666	\$666	\$500	\$200
\$43,920	\$600	\$600	\$500	\$200
\$45,920	\$534	\$534	\$500	\$200
\$47,920	\$466	\$466	\$466	\$200
\$49,920	\$400	\$400	\$400	\$200
\$51,920	\$334	\$334	\$334	\$200
\$53,920	\$266	\$266	\$266	\$200
\$55,920	\$200	\$200	\$200	\$200
\$57,920	\$134	\$134	\$134	\$134
\$59,920	\$66	\$66	\$66	\$66
\$61,920	\$0	\$0	\$0	\$0

The Australian Tax Office also has a super co-contribution calculator in the Superannuation section at www.ato.gov.au

How do I get more information?

Read the **PSSap product disclosure statement**

EMAIL members@pssap.gov.au

PHONE 1300 725 171

FAX 1300 662 406

MAIL PSSap
PO Box 22
Belconnen ACT 2616

WEB www.pssap.gov.au

Further information about the super co-contribution is available from the Australian Tax Office:

PHONE 13 10 20

WEB www.ato.gov.au

Warning - This Document Contains General Advice or Information Only

Any advice in this document has been prepared without taking account of your personal objectives, financial situation or needs. Because of this, you should, before acting on any advice in this document, consider the appropriateness of the advice, having regard to your objectives, financial situation and needs. You may wish to consult a licensed financial planner to do this.

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