

Government contributions

May 2023

Co-contributions

co-contributions are a Government initiative to help people save for their future. For eligible customers who make a personal after-tax contribution, the Government will make a co-contribution up to a maximum amount of \$500. The super co-contribution depends on your income and how much you contribute. To be eligible for a super co-contribution, you must:

- make an after-tax contribution to a super fund in the income year (and not obtain a deduction on the contribution)
- earn at least 10% of your total income (assessable income, reportable fringe benefits total and reportable employer superannuation contributions) from employment and/or running a business
- have a total income less any relevant business deductions of less than \$57,016 for the 2022/2023 financial year or \$58,445 for the 2023/2024 financial year.
- be under age 71 at the end of the financial year in which you make the contribution
- lodge your tax return for the year in which you make the contribution
- not hold a temporary visa at any time during the income year, unless you are a New Zealand citizen or you hold a prescribed visa.
- not have exceeded your non-concessional contributions cap for that year; and
- have a total superannuation balance at 30 June of the previous financial year (including any pension balances but excluding any structured settlement amounts) that is less than \$1.7 million for the 2022/2023 financial year or less than \$1.9 million for the 2023/2024 financial year.

How much you could be eligible for

If you earn less than \$42,016 for 2022/2023 and make a \$1,000 contribution, then you may get the maximum \$500 co-contribution. From 1 July 2023, the co-contribution lower income threshold will increase to \$43,445. As your total income increases, the maximum amount of co-contribution is reduced. If you earn more than \$57,016 for 2022/2023, you will not get a co-contribution. From 1 July 2023, the co-contribution higher income threshold will increase to \$58,445.

How you will receive co-contributions

If you are eligible, your co-contributions will be automatically paid into your super account, provided that,:

- You have lodged your tax return; and
- Your super fund has lodged a record of your super contributions with the Australian Taxation Office (ATO) – this will be done by 31 October.

The ATO will determine if you're eligible for a co-contribution. If you are, the co-contribution will be paid directly to the superannuation account where you made your contribution (subject to the fund rules). You can nominate another fund to the ATO if you prefer your nomination form will need to be received by the ATO before you lodge your tax return.

The payment should be made by 30 June of the year following your personal contribution. If not, you should follow up with the ATO.

"Customer" in this Fact Sheet means member of Virgin Money Super.

Contributions for low income earners

The Government may provide a Low Income Superannuation Tax Offset (LISTO) contribution for you if:

- your adjusted taxable income is \$37,000 or less
- you earn at least 10% of your total income from employment and/or running a business, and
- you were not a temporary resident of Australia during any part of the financial year (however, New Zealand citizens in Australia are eligible).

Your adjusted taxable income is the income also used to determine eligibility for Family Tax Benefit. It includes:

- taxable income
- adjusted fringe benefits
- net total investment losses
- reportable superannuation contributions, and
- tax free government benefits and foreign income
- less any child support you paid.

How much you may be eligible for

If eligible for a LISTO, you will receive 15% of the concessional contributions that you and/or your employer paid to your super account in the prior year, up to a maximum of \$500 per year.

How you will receive the payment

You don't need to apply for the LISTO. If the ATO determines that you are eligible, they will pay the contribution to your super account, even if you do not lodge an income tax return. To receive a LISTO, you will need to make sure your super fund has your TFN. Without your TFN, your super fund cannot accept a LISTO payment.

Concessional contributions

Concessional contributions can include:

- employer contributions (including compulsory superannuation guarantee, voluntary employer contributions and salary sacrifice) from all employers
- personal contributions to super for which you have been able to claim a tax deduction
- certain allocations from reserves of a superannuation plan, and
- notional taxed contributions if you are a defined benefit super fund customer.

Note: The concessional contributions are taxed at the 15% rate and they will need to be received by your fund by 30 June

If you need more information

you can read more about co-contributions, the LISTO, the various income measures used and concessional contributions by visiting the ATO's website at ato.gov.au.

We recommend that you speak to a licensed, or appropriately authorised, financial adviser to work out how co-contributions and the LISTO might apply to you.

You can also find more information about changes to super at ato.gov.au.

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