

How to Contribute Extra Money to Super

Concessional

Concessional contributions are those contributions to super where a tax deduction has been claimed for the contribution. This may be your employer or yourself.

Concessional Contribution Types

- Superannuation Guarantee amounts from your employer (minimum 10%)
- Salary sacrifice contributions through your employer
- Deductible contributions claimed as a tax deduction through your tax return

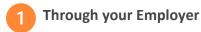
Caps for Concessional Contributions

The current **concessional cap is \$27,500** per financial year.



if you have a total superannuation balance less than \$500,000 there may also be opportunities available to bring forward prior year amounts that haven't been used.

How to make extra concessional contributions



Contributing through your employer is called salary sacrificing super. Most employers won't charge a fee for this service. Note that your employer most likely won't actively monitor your super caps so you will need to be careful that your contributions in total don't go over the relevant threshold.

To start, approach your payroll/HR officer and request the salary sacrifice contribution to be made. The money will automatically come out of your pay and be effectively claimed as a tax deduction straight away through your payroll.

Contribute Directly to Your Super Fund

You can also make a direct contribution to your super fund and claim the contribution amount as a deduction in your tax return when it is lodged.

- To do this, contact your super fund and ask them how to make a direct contribution.
- If you intend to claim it for the current financial year it is critical that the money be in your account with the fund by 30 June. To ensure this (as some transfers can take up to a week to be processed by the fund) it is best to make contributions by 15 June at the latest.
- Once the money is contributed and you know how much you want to claim in your tax return as a deduction you need to submit a Notice of Intent to the super fund (ATO form example attached).
- These are usually available on the super fund website and are used to advise the super fund how much you are claiming so that they can take the appropriate contributions tax on



DO NOT redraw any of the money (through allowable pensions/lump sums) or move the money to another fund until this Notice of Intent is submitted and processed by the fund.



Once the super fund has processed the notice, they will send you a **Letter of Acknowledgement** for the amount (example attached). We will need this letter to be able to lodge your tax return with the deduction amount included unless it already shows up on your ATO report. **This is non-negotiable.**

If you are not sure how much you will need to contribute for the most effective tax deduction or to stay within your caps then

- 1 we can do calculations prior to the end of the financial year for you or
- you can contribute a lump sum to superannuation and we can advise you exactly what to claim to be most effective for you when we complete your tax work for that year

Any additional amount contributed that is not needed as a deductible contribution stays in your super fund as a non-concessional contribution and is usually still worthwhile to have in the fund.

Non-Concessional

Non-concessional contributions are those that go directly into super that no one has claimed a tax deduction for. The non-concessional contribution caps apply in addition to the concessional caps and are a great way to get money into super if you've capped out on concessional contributions.

Any concessional contributions over and above your caps will also default to non-concessional contributions if you choose to not redraw them when given the option.

There are strategic benefits in making non concessional contributions as you approach retirement for estate planning purposes. Our financial planning team can advise on these as part of an overall superannuation and investment strategy plan.

