

The information in this document forms part of the NGS Super Member Guide (Product Disclosure Statement) dated 1 March 2012.

Government co-contributions – easy money

Fact sheet 1
1 March 2012

If you're earning less than \$61,920 a year, you could receive a super bonus from the Government! All you have to do is make an after-tax contribution to your super, meet the eligibility requirements, and you'll get a dollar-for-dollar matching contribution from the Government (up to a set limit).

NOTE: The Government has indicated its intention to reduce the current maximum Government co-contribution from \$1,000 to \$500 with effect from 1 July 2012. If approved by Parliament, the co-contribution will phase out progressively if your income is above \$31,920 and is expected to cease altogether once your income reaches \$46,920 (currently this is \$61,920).

NGS Super will notify all members should any change to the current co-contribution arrangements be approved by Parliament and become law. For the purposes of this document, details of the co-contributions are based on the current arrangements which will continue to apply until 30 June 2012.

Who's eligible?

Do you earn less than \$31,920?

If you earn \$31,920 or less, and you put \$1,000 into your super as an after-tax contribution, the Government will make the maximum co-contribution to your super of \$1,000*.

*From 1 July 2012 this will be reduced to a maximum of \$500. However, people who earn less than \$37,000 will be eligible for a new tax refund on super contributions worth up to \$500 per year.

It would be great to get the full \$1,000, but you don't have to put in \$1,000 to receive a co-contribution from the Government. If you can afford just \$200 – the Government will top up your account with \$200. And a \$500 after-tax contribution will earn you a co-contribution of \$500.

Do you earn more than \$31,920 but less than \$61,920?

If you earn between \$31,920 and \$61,920, you are still eligible to receive a co-contribution, but it's not the same dollar-for-dollar match as people who earn less than \$31,920.

As your income increases from \$31,920, the total amount of co-contribution you can receive will reduce. The following table shows some examples of how the co-contribution decreases as salary goes up.

Your income per year	The government co-contribution if you make an after-tax contribution of		
	\$1,000	\$500	\$200
\$31,920 or less	\$1,000	\$500	\$200
\$33,920	\$933	\$500	\$200
\$37,920	\$800	\$500	\$200
\$41,920	\$666	\$500	\$200
\$45,920	\$533	\$500	\$200
\$49,920	\$400	\$400	\$200
\$53,920	\$266	\$266	\$200
\$57,920	\$133	\$133	\$133
\$61,920	\$0	\$0	\$0

Please note that this table shows the amount of co-contribution you'll receive for eligible after-tax contributions made before 1 July 2012. After this date, the rate at which the co-contribution phases out may change. Please call the Customer Service Team on **1300 133 177** if you would like more information.

You can also use the tax office calculator at www.ato.gov.au (select **Individuals > Find a rates or calculator > Superannuation calculators > Calculate your super co-contribution** to access the calculator) to work out how much co-contribution you could get.

The income limits described above refer to your total income (which is your assessable income **before** deductions, certain salary sacrifice and voluntary employer contributions are allowed), plus any reportable fringe benefits. If part of your income comes from self employment, then deductions for carrying on a business are allowed.

No application needed!

The Government does the work! Just make sure you send in your tax return each year and make some after-tax contributions before the end of the financial year for which you're completing your return. The Tax Office will work out whether you are entitled to a co-contribution, and if you qualify, the Tax Office will pay the amount into your super account in the following year.

Remember also that the co-contribution is counted as a post-tax contribution, so no tax is deducted when it's added to your account.

Here are the rules

- You must make an *after-tax* (non-concessional) contribution to your super before 30 June to be eligible for that financial year.
- You must lodge an income tax return for the year. The co-contribution will be paid into your super account after your tax return has been assessed.
- You must not claim a tax deduction for your total after-tax (concessional) contributions for the year.
- Co-contributions will not be paid for *before-tax* contributions including salary sacrifice contributions, employer contributions, deductible member contributions or spouse contributions.
- Self-employed people are also eligible for co-contributions – to qualify, at least 10% of your total income (in this case, not reduced by any business deductions) must come from employment or carrying on a business or a combination of both.
- You must be younger than 71 at the end of the financial year in which you make the contribution.
- You must not hold an eligible temporary resident visa for any part of the financial year for which you are claiming the co-contribution.

- Once you receive it, the co-contribution will be a preserved benefit. That means it can generally be paid to you in cash only when you retire after reaching your preservation age or in some other limited circumstances.

Smart moves

- If you start work part-way through the current financial year, you'll have earned less than one full year's income by the end of the financial year, so you may be entitled to receive the full co-contribution amount.
- If you have started working part-time and your income has been reduced, you may now be eligible for a co-contribution.
- If you are eligible for the full co-contribution, the 2011/12 financial year is your last opportunity to qualify for the full \$1,000*.

*until when the maximum reduces to \$500 on 1 July 2012

Action points

Making a contribution: You can pay a lump sum into your super account at any time using a *Lump Sum Contribution Form*, or you can make regular contributions from your pay by filling in the *Payroll Deductions Authority for Voluntary Contributions Form* and giving it to your employer. Both forms are on our website. You can also make contributions using BPAY®.

Your BPAY® reference number is available by logging into the Member Online section of the website or by calling our Customer Service Team on **1300 133 177**.

Beat the 30 June deadline: NGS Super must receive your voluntary contribution before 30 June for you to be eligible for a co-contribution for the current financial year. Don't leave it until the last minute: always allow some time for posting and processing. Otherwise, it will be counted for the next financial year.

Further information

If you are thinking about making after-tax contributions, or if you want to find out if you're eligible to receive the Government co-contribution, consider obtaining professional advice to understand how this works for your personal situation and how you might be able to combine before- and after-tax contributions to your advantage. NGS Super offers a financial planning service. To make an appointment or to speak with a planner, call **1300 133 177**.

We also have representatives who can provide you with general advice and explain the options available through NGS Super.

Contact us

Our website is your one-stop shop for information about NGS Super.

You can also contact us via the **contact us** page at www.ngssuper.com.au or call our Customer Service Team on **1300 133 177** between 8.00am and 8.00pm (AEST or AEDT), Monday to Friday.

Important information

This factsheet provides key information for Industry and Personal members of NGS Super. You should consider all the information contained in the Member Guide (Product Disclosure Statement) and incorporated Fact Sheets dated 1 March 2012 before making a decision about investing in NGS Super.

The information provided in this fact sheet is general information only and does not take into account your objectives, financial situation or needs. Before making a financial decision, please assess the appropriateness of the information to your individual circumstances and consider seeking professional advice.

The NGS Financial Planning Service is offered to members of NGS Super (ABN 73 549 180 515) through an arrangement with Mercer Financial Advice (Australia) Pty Ltd (MFA) (ABN 76 153 168 293) which holds an Australian Financial Services Licence No. 411766.