

# Opportunities and limits for super contributions

*Make the most of the rules*

Fact Sheet

November 2023

**The minimum contribution set by the Superannuation Guarantee (SG) legislation is currently 11% of your ordinary time earnings (OTE).<sup>1</sup> For many people this is the only amount they are saving for their future retirement.**

## Making contributions

Super can be a tax-effective way to save for your future, and growing it may be easier than you think. The table on the right and over the next few pages provides details of the different types of contributions you and your employer can make. There are annual limits that apply, and details of these limits are provided on page 4.

| Contribution type                              | Contribution details  |                          |  |      |       |      |       |      |       |
|--|---|--------------------------|--|------|-------|------|-------|------|-------|
| <b>Before-tax (concessional) contributions</b> |   |                          |  |      |       |      |       |      |       |
| <b>Superannuation Guarantee (SG)</b>           | <p>These are compulsory contributions made by your employer on your behalf and from 1 July 2023, apply to all employees regardless of monthly earnings. For those employees aged under 18, they must work at least 30 hours per week to be eligible.</p> <p>From 1 July 2023, your employer must generally contribute a minimum of 11% of your OTE.</p> <p>The required SG contribution rate is proposed to rise to 12% of OTE by 1 July 2025 as shown in the following table.</p> <table border="1"> <thead> <tr> <th colspan="2">Year (commencing 1 July)</th> </tr> </thead> <tbody> <tr> <td>2023</td> <td>11.0%</td> </tr> <tr> <td>2024</td> <td>11.5%</td> </tr> <tr> <td>2025</td> <td>12.0%</td> </tr> </tbody> </table> | Year (commencing 1 July) |  | 2023 | 11.0% | 2024 | 11.5% | 2025 | 12.0% |
| Year (commencing 1 July)                       |   |                          |  |      |       |      |       |      |       |
| 2023   | 11.0%   |                          |  |      |       |      |       |      |       |
| 2024   | 11.5%   |                          |  |      |       |      |       |      |       |
| 2025   | 12.0%   |                          |  |      |       |      |       |      |       |
| <b>Award or agreement</b>                      | <p>These are contributions made by an employer if they are specified in an award or agreement certified by an industrial authority. There are no age restrictions on this type of mandated employer contribution.</p> <p>These contributions can include employees who are not eligible for SG contributions such as those who are less than 18 years of age working less than 30 hours a week.</p>   |                          |  |      |       |      |       |      |       |
| <b>Employer additional</b>                     | <p>These are additional contributions made by your employer over and above any compulsory amounts that are required by SG legislation or specified in an award or certified by an industrial authority.</p> <p>These voluntary employer contributions can only be accepted if the member is aged 74 or under.</p>   |                          |  |      |       |      |       |      |       |

<sup>1</sup> More information on ordinary time earnings (OTE) is available from the Australian Taxation Office (ATO) at [ato.gov.au](https://ato.gov.au)

# Boost your super

For more information on contributing to your super, please read the following fact sheets which are available at [ngssuper.com.au/factsheets](https://ngssuper.com.au/factsheets)

- Let the government top up your super
- Salary sacrifice and save
- Make spouse contributions work for you
- Split super contributions with your spouse

| Contribution type   | Contribution details   |
|---|--|
| <b>Before-tax (concessional) contributions <i>continued</i></b>   |  |
| <b>Salary sacrifice</b>   | <p>Salary sacrifice refers to contributions made to your super from your salary before income tax is taken out. You can make these before-tax contributions with the agreement of your employer.</p> <p>Depending on your situation, salary sacrificing extra contributions into your super may reduce your income tax since you pay only 15% contributions tax (which is likely to be less than your marginal income tax rate<sup>2</sup>) on these contributions when we receive them.</p> <p>These contributions and investment earnings are preserved until you meet a condition of release such as reaching age 65, ceasing a gainful employment arrangement after age 60 or retiring after reaching your preservation age</p> <p>We can accept these contributions up to 28 days after the month in which you turn age 75. We cannot accept these contributions after that time.</p> <p>Annual contributions limits apply – see page 4.</p>  |
| <b>Personal contributions for which you claim a tax deduction</b>   | <p>You can claim a deduction for personal contributions if you are under age 75 (subject to the concessional contribution limit and your eligibility to contribute) provided you meet the work test if you have reached age 67 but are under age 75. You will need to notify us of your intent to claim a tax deduction on the personal contribution prior to any withdrawal from your super account (including starting an income stream) and before lodging your tax return for that financial year by completing a <b>Notice of intent to claim or vary a deduction for personal super contributions form</b> available at <a href="https://ngssuper.com.au/forms">ngssuper.com.au/forms</a></p> <p>Annual contributions limits apply – see page 4.</p>   |
| <b>After-tax (non-concessional) contributions</b>   |  |
| <p><b>Regular contributions from your after-tax pay</b></p> <p>If your total super balance as at 30 June 2023 is \$1.9 million or more, you will not be eligible to make after-tax contributions. See page 4 for further details on limits.</p> <p>By making after-tax contributions, you may be eligible for the government co-contribution. For more details, please read the fact sheet <b>Let the government top up your super</b> available at <a href="https://ngssuper.com.au/factsheets">ngssuper.com.au/factsheets</a></p> | <p>These contributions are made from money after PAYG tax has been taken out of your pay.</p> <p>These types of contributions can be made regularly from your after-tax pay or by setting up a regular contribution through your bank account using BPAY® .</p> <p>We can only accept these contributions if you have provided us with your Tax File Number (TFN).</p> <p>These contributions and investment earnings are preserved, until you have met a condition of release.</p> <p>You have already paid income tax on these contributions, so they're not taxed when paid into your account with us or withdrawn. However, you may need to pay tax on any earnings from these contributions. This will depend on when your benefit is paid and if you are under age 60 at the time.</p> <p>We can accept these contributions up to 28 days after the month in which you turn age 75. We cannot accept these contributions after that time.</p> <p>Annual contributions limits apply – see page 4.</p> |
| <b>Lump sum contributions</b>   | <p>You can make these types of contributions at any time using BPAY® or by cheque using the <b>Lump sum contribution form</b> available at <a href="https://ngssuper.com.au/forms">ngssuper.com.au/forms</a></p> <p>We can accept lump sum after-tax contributions up to 28 days after the end of the month in which you turn age 75. We cannot accept these contributions after that time, with the exception of a <b>Downsizer contribution</b>. For more details about Downsizer contributions, see page 3.</p> <p>Annual contributions limits apply – see page 4.</p>  |

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<sup>2</sup> If your income and concessional contributions exceed \$250,000, a portion of your concessional contributions will be subject to tax at 30%. Combined income refers to the sum of your taxable income plus concessional contributions. This will be assessed by the ATO as part of your annual tax return.

| Contribution type   | Contribution details  |
|---|---|
| <b>Before-tax (concessional) contributions <i>continued</i></b>   |   |
| <p><b>Spouse contributions<sup>3</sup></b></p> <p>For more details on spouse contributions, read our fact sheet <b>Make spouse contributions</b> work for you available at <a href="https://ngssuper.com.au/factsheets">ngssuper.com.au/factsheets</a></p>                          | <p>If you are married or in a de facto relationship (including same-sex couples) you can make spouse contributions. All spouse contributions are preserved. Both you and your spouse must be Australian residents when the contribution is made and must not be living separately and apart on a permanent basis.</p> <p><b>The contributing spouse</b></p> <p>You must complete a <b>Spouse contribution form</b> available at <a href="https://ngssuper.com.au/forms">ngssuper.com.au/forms</a> and attach with your cheque payable to NGS Super.</p> <p>These contributions can be made to any complying super fund that accepts spouse contributions. You can set up an account for your spouse with NGS Super at any time.</p> <p>Contributions are paid into your spouse's account. Depending on your spouse's income and the amount you contribute on behalf of your spouse, you may be able to claim a tax offset of up to \$540.</p> <p><b>The receiving spouse</b></p> <p>You must be the spouse of the contributor at the time the contribution is made. The contribution must be made to a complying super fund such as NGS Super.</p> <p>We cannot accept these contributions if you have reached age 75. In addition, the receiving spouse must not:</p> <ul style="list-style-type: none"> <li>• exceed their non-concessional contributions cap in the year the contribution is made and</li> <li>• have a total super balance in excess of their transfer balance cap in the prior financial year.</li> </ul> <p>The contributing spouse may receive a tax offset of 18% of the first \$3,000 of spouse contributions (to a maximum of \$540), where the receiving spouse's income is below \$37,000. This offset will reduce for every \$1 that the receiving spouse's income is over the low income threshold with no offset available when their income reaches \$40,000.</p> |
| <b>Other contributions</b>  |   |
| <p><b>Contribution splitting with your spouse<sup>4</sup></b></p> <p>For more details on contribution splitting, read our fact sheet <b>Split super contributions with your spouse</b> available at <a href="https://ngssuper.com.au/factsheets">ngssuper.com.au/factsheets</a></p> | <p>After-tax (non-concessional) contributions cannot be split.</p> <p>Up to 85% of your before-tax (concessional) contributions paid into your <i>NGS Accumulation account</i> in a given financial year can be split with your spouse. You may be able to carry forward unused concessional contributions to later years providing you with a higher concessional contributions cap, which can then be split.</p> <p>Contributions can be split once a year with applications made in a current financial year to split contributions made in the previous financial year.</p> <p>To split contributions with your spouse, you will need to complete the <b>Contribution splitting form</b> at <a href="https://ngssuper.com.au/forms">ngssuper.com.au/forms</a></p>   |
| <p><b>Downsizer contribution</b></p> <p>For more details, read our information sheet <b>Downsizer contribution</b> available at <a href="https://ngssuper.com.au/factsheets">ngssuper.com.au/factsheets</a></p>   | <p>If you are aged 55 years or older and sell your home, you may be eligible to make a downsizer contribution into your super.</p> <p>Existing contribution caps and restrictions do not apply to a Downsizer contribution. Therefore, those currently unable to make contributions to super now have an opportunity to make a further contribution into super.</p>   |

<sup>3</sup>. Contributions you make on behalf of your spouse will count toward their non-concessional contribution limit. See page 4 for details of this limit.

<sup>4</sup>. While these contributions do not count toward the concessional contributions limit for the receiving spouse, they do count toward the concessional contribution limit for the contributing spouse. See page 4 for details of this limit.

## The work test

**From 1 July 2022 the work test only applies where you are aged between 67 and 74 and wish to claim a deduction for personal contributions.**

If you have reached age 67 but are under age 75, you are required to work at least 40 hours in 30 consecutive days in the financial year to be eligible to claim a tax deduction for personal contributions.

However, if your total super balance<sup>5</sup> at the previous 30 June is less than \$300,000, you will be exempt from the work test for 12 months from the end of the financial year in which you last met the work test. This exemption applies once only.

## Government co-contributions

The government co-contribution scheme allows some people to receive an extra boost to their super.

If you're eligible and make after-tax contributions, the government will pay an additional 50 cents into your super for every \$1 of after-tax contribution, up to a maximum of \$500.

For the 2023–24 financial year, if you have a total income of up to \$43,445, you may be eligible for the maximum co-contribution. For total incomes above \$43,445, the maximum co-contribution will reduce by 3.33 cents for each \$1 of income, and phase out completely at an income of \$58,445. Conditions apply.

For more information, please refer to our fact sheet **Let the government top up your super**.

## Annual contribution limits

Annual contribution limits apply to both before-tax (concessional) and after-tax (nonconcessional) contributions made to your super. These limits are indexed each year and any contributions over the limit are subject to extra tax. For more information on the tax applicable, please read our **Fees, costs and tax guide** available at [ngssuper.com.au/PDS](http://ngssuper.com.au/PDS)

**Please remember that the limits apply to the total of all your super accounts.**

These limits are as follows:

| Contributions  | Annual limit 2023-24  |
|--|---|
| <b>Before-tax (concessional)</b><br>Includes: <ul style="list-style-type: none"> <li>• employer contributions</li> <li>• salary sacrifice contributions</li> <li>• personal contributions for which you claim an income tax deduction</li> </ul> | \$27,500 per financial year.<br><br>You are able to carry forward unused amounts of your concessional contributions cap on a rolling basis for 5 years. Amounts carried forward that have not been used after 5 years will expire. You will only be able to take advantage of your unused concessional contributions cap if you are eligible to make concessional contributions and your total super balance <sup>5</sup> at 30 June of the previous financial year was less than \$500,000.<br><br>See our fact sheet <b>Salary sacrifice and save</b> for more details. |
| <b>After-tax (non-concessional)</b><br>Includes spouse contributions   | If your total super balance <sup>5</sup> is less than \$1.9 million at 30 June 2023 then your limits are: <ul style="list-style-type: none"> <li>• \$110,000 per financial year or</li> <li>• \$330,000 over a 3-year period using the bring-forward rule if eligible.</li> </ul> Where your total super balance at 30 June 2023 is \$1.9 million or more, you are unable to make non-concessional contributions to your super. See below for more details.   |

### Limits applying to after-tax contributions

The non-concessional (after-tax) cap is \$110,000 per annum for 2023–24. Where your total super balance across all your super funds as at 30 June 2023 is \$1.9 million or more, you will not be eligible to make after-tax contributions.

Individuals aged 74 and under on 1 July 2023 may be able to take advantage of the bring-forward rule and make non-concessional contributions up to 3 times the annual cap over a 3-year period.

**Important qualification** — a non-concessional super contribution can only be accepted by your super fund up to 28 days after the end of the month in which you turn age 75. This means that if you are age 74 on 1 July 2023 and are able to take full advantage of the bring-forward rule, your contribution of \$330,000 must be received by this deadline. No further personal super contributions (other than Downsizer contributions) can be accepted after the deadline.

If you are aged 75 or above on 1 July 2023, you are unable to take advantage of the bring-forward rule.

A further constraint on the bring-forward rule is that if your account balance is close to \$1.9 million, you will only be able to bring forward the annual cap amount for the number of years that would take your balance to reach \$1.9 million (see table below).

| Total super balance at previous 30 June | Contribution and bring-forward amount available |
|---|---|
| Less than \$1.68m                       | 3 years (3 x \$110,000 = \$330,000)             |
| \$1.68m to less than \$1.79m            | 2 years (2 x \$110,000 = \$220,000)             |
| \$1.79m to less than \$1.9m             | 1 year (1 x \$110,000 = \$110,000)              |
| \$1.9m or more                          | Nil   |

<sup>5</sup> Your total super balance is generally the total value of your super interests in both accumulation phase and retirement phase at the end of the previous financial year, noting that:

- for accumulation phase, this is generally the withdrawal value at 30 June

- for the retirement phase, this is the balance of your transfer balance account which is managed by the ATO.

You can view your total super balance through your Australian Taxation Office (ATO) linked account by logging into your myGov account at [my.gov.au](http://my.gov.au)

## How do I make extra contributions?

To make extra contributions from your before-tax or after-tax pay, or to change the amount, complete a **Payroll deductions form** at [ngssuper.com.au/forms](https://ngssuper.com.au/forms) and send it to your payroll department to arrange regular deductions.

If you make your contributions directly to NGS Super rather than through your employer, you can change your contribution amount and frequency at any time. You can make these payments by cheque using the **Lump sum contribution form** at [ngssuper.com.au/forms](https://ngssuper.com.au/forms) or by BPAY®.

To use BPAY® for contributions, log in to your Member Online account at [ngssuper.com.au/MOL](https://ngssuper.com.au/MOL) to get your BPAY® reference number. You can use your BPAY® reference number every time you make an extra contribution from your bank.

If you wish to claim a tax deduction for your contribution, you need to complete and return to NGS Super a **Notice of intent to claim or vary a deduction for personal super contributions form** before you submit the corresponding tax return, or the end of the financial year, whichever comes first.

## If we don't have your tax file number we can't accept your extra after-tax contributions

Providing your tax file number (TFN) is a simple way to ensure you don't pay extra tax on your super contributions. If you don't provide us with your TFN, we cannot accept your after-tax contributions.

To provide your TFN, please complete and return a **Providing your tax file number form** at [ngssuper.com.au/forms](https://ngssuper.com.au/forms). You can also update your TFN via **Member Online** or by calling us on **1300 133 177**.

## Find your lost super

If you have changed your name, address or job, you may have lost track of your super. You may also have one or more other super accounts that you haven't been able to consolidate into one account. This could be costing you money as you pay extra fees and potentially have multiple insurances.

Combining your super all in the one place will help you manage your account more easily.

Simply log in to your **my.gov.au** account and go to your linked ATO account to find and consolidate your other super with your NGS Accumulation account.

Find out more at [ngssuper.com.au/consolidate](https://ngssuper.com.au/consolidate)

## Transfer balance cap

A transfer balance cap<sup>6</sup> currently applies on the amount of super you can transfer into the retirement phase once you choose to retire.

While it is important to be aware of this transfer balance cap, there continues to be no limit on the amount you can hold in your accumulation account that is concessional taxed at 15%, regardless of your age.

However, the government has announced its intention to legislate an additional 15% tax on investment earnings for superannuation account balances above \$3 million from the 2025-26 financial year.

For more information, you can read our **Fees, costs and tax guide** at [ngssuper.com.au/PDS](https://ngssuper.com.au/PDS)

<sup>6</sup> All individuals have their own personal transfer balance cap which is managed by the ATO. You can view your transfer balance cap through your Australian Taxation Office (ATO) linked account by logging into your myGov account at [my.gov.au](https://my.gov.au)

## More information?

### Contact us

You can contact us at [ngssuper.com.au/contact-us](https://ngssuper.com.au/contact-us) or call us on **1300 133 177** Monday to Friday, 8am–8pm (AEST/AEDT).

Fax: **(03) 9245 5827**

Postal address:

**GPO Box 4303  
MELBOURNE VIC 3001**

### Need help?

If you are thinking about your super contributions, consider obtaining professional advice for your personal situation.

We offer single-issue advice limited to your NGS Super account at no cost over the phone through our Financial Advice Helpline.

We also offer low-cost tailored advice through NGS Financial Planning. To make an appointment phone us on **1300 133 177** or complete the **Financial advice enquiry form** at [ngssuper.com.au/advice](https://ngssuper.com.au/advice)

### Important information

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.

NGS Financial Planning Pty Ltd, ABN 89 134 620 518, is a corporate authorised representative #394909 of Guideway Financial Services Pty Ltd, ABN 46 156 498 538, AFSL #420367 and offers financial planning services on behalf of NGS Super ABN 73 549 180 515.