

LET THE GOVERNMENT TOP UP YOUR SUPER

Don't miss out on extra help.

FACT SHEET 1

1 JULY 2020

If your total income is less than \$54,837 this financial year, you could receive a super bonus from the Government. All you have to do is make an after-tax contribution to your super and meet the eligibility requirements.

Eligibility based on income

If your total income is \$39,837 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 \$500.

It would be great to get the full \$500, but you don't have to put in the maximum \$1,000 to receive a co-contribution from the Government. If you can afford just \$200, the Government will top up your account with \$100. A \$400 after-tax contribution will earn you a co-contribution of \$200.

Will your total income be more than \$39,837 but less than \$54,837?

If you earn between \$39,837 and \$54,837, you are still eligible to receive a co-contribution, but at a reduced rate.

The income limits described on this page 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.

The table on page 2 shows some examples of how the co-contribution decreases as income increases.

Please note that this table shows the amount of co-contribution you'll receive for eligible after-tax contributions made from 1 July 2020. For future financial years, the rate at which the co-contribution phases out may change.

You can also use the tax office calculator at ato.gov.au/Calculators-and-tools/Super-co-contribution-calculator/ to work out how much co-contribution you could get.

Total income including salary sacrifice and reportable fringe benefits \$	Maximum approximate co-contribution available \$	Personal contribution required to receive maximum co-contribution \$
39,837	500	1000
40,837	466	933
41,837	433	866
42,837	400	800
43,837	366	733
44,837	333	667
45,837	300	600
46,837	266	533
47,837	233	467
48,837	200	400
49,837	167	334
50,837	133	267
51,837	100	200
52,837	67	134
53,837	33	67
54,837	0	0

The amounts shown in the table above are approximate amounts and have been rounded down to the nearest whole dollar. If you are eligible for a Government co-contribution, the payment will be rounded up to the nearest multiple of 5 cents. The minimum co-contribution payment is \$20.

No application needed

The Government does the work for you. Just make sure you make an after-tax contribution that is received by us before the end of the financial year and then lodge your tax return. The ATO will work out whether you are entitled to a co-contribution, and if you qualify, they will pay the amount into your super account.

Remember, the co-contribution is counted as a non-concessional (after-tax) contribution, so no tax is deducted when it's added to your account.

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Here are the rules for 2020/21

To be eligible you must meet all conditions in the table.

Eligibility description

Your Total Superannuation Balance¹ at 30 June 2020 is less than \$1.6 million.

You have not exceeded your non-concessional contributions cap² for the 2020/21 financial year.

Your assessable income must be less than \$54,837.

You have made an after-tax (non-concessional) contribution³ to your super before 30 June 2021.

You must not claim a tax deduction for your total after-tax contributions for the year.

If you are self-employed, at least 10% of your total income (not reduced by any business deductions) must come from employment or carrying on a business or a combination of both.

You are younger than 71 at the end of the financial year (30 June 2021).

You do not hold a temporary resident visa⁴ for any part of the financial year.

You must lodge an income tax return for 2020/21⁵.

¹ Includes the total value of your superannuation interests in both accumulation (superannuation savings accounts) and retirement phase (superannuation pension accounts) at the end of the previous financial year:

- for accumulation accounts is generally the withdrawal value at 30 June
- for retirement phase accounts is the balance of your Transfer Balance account which is managed by the ATO.

You can view your Total Superannuation Balance through your ATO linked account by logging into your mygov account at my.gov.au

² If you have more than one fund, all non-concessional contributions made to all of your funds are added together and counted towards the non-concessional contributions cap.

If you are under 65, you may be able to make non-concessional contributions of up to \$300,000 (three times the annual non-concessional contributions cap) in a single year.

For more information please see our fact sheet [Opportunities and limits for super contributions](#).

³ A government co-contribution will not be paid for before-tax contributions including salary sacrifice contributions, employer contributions, deductible member contributions or spouse contributions.

⁴ Unless you are a New Zealand citizen or it was a prescribed visa.

⁵ The co-contribution will be paid into your super account after your tax return has been assessed. Once you receive the co-contribution, it 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.

Work test eligibility to make a contribution to super

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 make concessional or non-concessional contributions.

The work test can be satisfied where you receive remuneration for your efforts. You will need to confirm with the ATO whether your specific arrangements satisfy the work test rules.

Work test exemption

If your Total Super Balance at the previous 30 June is less than \$300,000, you will be exempt from this 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.

Find out more in our fact sheet **Opportunities and limits for super contributions** available at ngssuper.com.au/pds

Smart moves

- If you start work part-way through the 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.

Making a contribution:

You can make contributions into your super account at any time by:

- logging into **Member Online** at ngssuper.com.au/MOL and accessing your BPAY® details; or
- completing the **Lump sum contribution form** and returning with a cheque; or
- making regular contributions from your pay by completing the **Payroll deductions form** and providing it to your employer.

Beat the 30 June deadline:

We must receive your after-tax contribution before 30 June 2021 for you to be eligible for a co-contribution for the 2020/21 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.

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More information?

Contact us

You can contact us at ngssuper.com.au/contact-us or call us on **1300 133 177** between 8.00am and 8.00pm (AEST or AEDT), Monday to Friday.

Phone number for callers outside Australia **+61 3 8687 1818**

Fax: **(03) 9245 5827**

Postal address
GPO Box 4303
MELBOURNE VIC 3001

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.

We offer single-issue advice limited to your NGS Super account at no cost:

- over the phone through our Financial Advice Helpline, or
- through our Customer Relationship Managers who may be able to meet face-to-face.

Further, we offer low-cost tailored advice through NGS Financial Planning.

To make an appointment, phone us on **1300 133 177** or complete the **Financial planning enquiry form** on our website at ngssuper.com.au/financial-planning

Important information

You should consider all the information contained in the **Product Disclosure Statement** dated 1 April 2020 and incorporated fact sheets 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.

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.

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