

SUPER IN A NUTSHELL

Making it super simple.

YOUR SUPER SUMMARY 2020/21

This handy reference guide contains a range of information and details relating to superannuation and saving for retirement.

Further details can be found in our fact sheets:

- **Let the government top up your super**
- **Salary sacrifice and save**
- **Make spouse contributions work for you**
- **Split super contributions with your spouse**
- **Gaining access to your super**
- **Opportunities and limits for super contributions**

available at ngssuper.com.au/PDS

The work test

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 exemption

If your Total Super Balance¹ at 30 June 2020 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 only once.

During the financial year in which the work test exemption applies, if eligible you may be able to contribute additional contributions by taking advantage of any unused concessional contributions using the carry forward rule.

Superannuation obligations

Generally, employees are entitled to super guarantee contributions from an employer when aged over 18 and paid \$450 or more (before tax) in a month. If an employee is under 18 they must work a minimum 30 hours per week to be entitled to super contributions.

If specified in an award or agreement certified by an industrial authority, super contributions may still be required for those employees:

- 18 years of age working less than 30 hours a week,
- age 75 years or older.

Contributions

Below is a summary table of ages that different types of contributions can be accepted.

Age Group	Under 67 years	67–74	75 and over
Compulsory 9.5% SG	Y	Y	Y
Mandated non-SG ²	Y	Y	Y
Salary sacrifice	Y	Y ³	N
Personal contributions	Y	Y ³	N
Spouse contributions	Y	Y ³	N
Downsizer contribution ⁴	N	Y	Y

Super Guarantee (SG) contributions

9.5% of each employee's earnings base (maximum contribution base \$57,090 per quarter equivalent to \$228,360 per year) payable within 28 days of end of each quarter (31 December, 31 March, 30 June and 30 September) by 28 January, 28 April, 28 July and 28 October.

Government co-contributions

For every \$1 of personal (after-tax) contributions an eligible member makes, the Government will contribute \$0.50 (maximum \$500). The co-contribution begins phasing out where total assessable income including salary sacrifice and reportable fringe benefits exceeds \$39,837 with no co-contribution entitlement at or above \$54,837.

¹ Your Total Super Balance is the total value across all your super funds determined as at 30 June each year. You can view your Total Super Balance through my.gov.au

² Mandated non-SG refers to contributions payable or made under an award, or agreement certified by an industrial authority.

³ Provided the member meets the work test.

⁴ Existing contribution caps and restrictions do not apply to a downsizer contribution. Further information can be found in our information sheet [Downsizer contribution](#).

Annual contribution limits

Concessional (before-tax) contributions

The government sets limits on the amount you can contribute to super, either before-tax or after-tax.

Limit	Tax payable
\$25,000	15% contributions tax (30% for total incomes ⁵ over \$250,000)
Excess contributions ⁶ (above your concessional contributions cap)	Member's marginal tax rate plus an interest charge (excess concessional contributions charge)

You are able to carry forward unused amounts of your concessional contributions cap if you have a Total Superannuation Balance¹ of less than \$500,000 on 30 June of the previous financial year. This year you can access up to 2 years of unused concessional contributions (from 2018/19 and 2019/20) plus \$25,000 cap applicable to 2020/21.

For example, if you had a Total Superannuation Balance¹ of less than \$500,000 and you had unused concessional contributions in the:

- 2018/19 financial year of \$10,000, and
- 2019/20 financial year of \$8,000

you could carry the additional \$18,000 over to the 2020/21 financial year. This would mean you could contribute up to \$43,000 under the concessional cap in 2020/21. Any concessional contributions above this amount, would be treated as excess contributions.

You can find out your personal concessional contribution cap by logging in to my.gov.au and going to the Super section of your linked ATO account.

Non-concessional (after-tax) contributions

Amount	Tax payable
If your Total Super Balance¹ is less than \$1.6 million on 30 June 2020	
<ul style="list-style-type: none"> ▪ \$100,000 per annum, or ▪ \$300,000 over a three-year period (age limits and superannuation balance limits apply)⁷. 	Nil contributions tax

If your Total Super Balance¹ is equal to or greater than \$1.6 million on 30 June 2020

\$Nil.

Any non-concessional contributions this year will be excess non-concessional contributions.

Non-concessional contributions above limit (excess contributions)

The excess contribution and earnings can be either:

- withdrawn from your super account, or
- left in your super account.
- Your marginal tax rate if withdrawn, or
- 47% if left in super

No Tax File Number (TFN) rules

Contribution type	No TFN rule
Non-concessional (after-tax) contributions	Cannot be accepted without a TFN
Concessional (before-tax) contributions	Tax is 47% if no TFN held

Tax concessions for contributions

Low Income Super Tax Offset (LISTO)

The government provides a low income super tax offset of up to \$500 annually for eligible individuals on adjusted taxable incomes of up to \$37,000. The amount will be paid by the government into a super account of the individual to directly boost their retirement savings.

Personal contributions

You may claim a deduction for personal contributions (subject to the concessional contribution limit and your eligibility to contribute). You will need to notify us of your intention to claim a tax deduction on the personal contribution.

Spouse contributions

A rebate of 18% is available for contributions of up to \$3,000 made on behalf of an eligible spouse earning less than \$37,000 (maximum rebate \$540). The rebate begins phasing out where a spouse's assessable income exceeds \$37,000 (with no rebate entitlement at or above \$40,000). Further details can be found in our fact sheet [Make spouse contributions work for you](#).

⁵ Includes before-tax contributions and other items such as reportable fringe benefits.

⁶ Excess concessional contributions also count towards the non-concessional cap.

⁷ Using the bring-forward rule, if you are aged 64 or less on 30 June 2020, you can contribute up to \$300,000 over 3 years provided that:

- your Total Super Balance as at 30 June is not greater than \$1.4 million
- you can satisfy the work test for any contributions made on or after your 65th birthday.

A further constraint on the 3-year bring forward rule is that if your Total Super Balance is close to \$1.6m, you will only be able to bring forward the annual cap amount for the number of years that would take your balance to \$1.6m. Please see our fact sheet [Opportunities and limits for super contributions](#) for more details.

Tax on superannuation benefits

The tax payable on benefits you withdraw from super will depend on your age and whether or not your benefits include a taxable component.

Age	Assessable part	Tax rate ⁸
Age 60 and over	Nil	n/a
Under age 60		
Tax-free component	Nil	n/a
Taxable component		
– Under preservation age	100%	20%
– Between preservation age and less than age 60	Up to \$215,000 ⁹	\$0
	\$215,000+	15%

Reportable super contributions

Reportable super contributions are contributions made to your super account that will not be included in your assessable income for tax purposes, however, are counted when assessing your eligibility for some tax offsets, deductions, concessions, the Medicare levy surcharge and certain government benefits.

Reportable super contributions include:

- any contributions an employer makes for you above the current 9.5% super guarantee rate (where you have influenced the amount or rate your employer contributes for you),
- voluntary salary sacrifice contributions, and
- personal contributions where a tax deduction has been claimed. Please note that additional after-tax contributions are not considered reportable contributions.

Super preservation ages

Your date of birth	Your preservation age
Before 1 July 1960	55
1 July 1960 – 30 June 1961	56
1 July 1961 – 30 June 1962	57
1 July 1962 – 30 June 1963	58
1 July 1963 – 30 June 1964	59
After 30 June 1964	60

Age Pension eligibility age during 2020/21

Females	Males
66	66

This will gradually increase to age 67 for both males and females in 2023/24.

See our fact sheet [Your super and the age pension](#) for more information.

Finding your lost super

Do you have more than one super account because of a job change? By getting all your super accounts together in one place you will:

- stop paying additional fees to other funds to manage your money
- grow your super faster
- have less paperwork to manage.

There is about \$17.5 billion in lost and unclaimed super and some of it may be yours.

You can log in to your account at **my.gov.au** and go to your linked ATO account to view and consolidate other super funds you have with your NGS Super account.

Find out more about consolidation at ngssuper.com.au/consolidate

⁸ Does not include Medicare levy or reflect rates for untaxed schemes.

⁹ This is known as the low rate cap amount which is reduced by any amount previously applied to the low rate threshold.

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

Need help?

If you are thinking about making extra contributions, 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

The details provided in this information sheet are based on our interpretation of superannuation rules applicable at 1 July 2020. The information is general in nature 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.