

# SUPER<sup>+</sup> IN A NUTSHELL

*Making it super simple.*

QUICK SUPER GUIDE 2017/2018

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

## 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 65 years	65–69	70–74	75 and over
Compulsory 9.5% SG (paid by employer)	Y	Y	Y	Y
Mandated non-SG <sup>1</sup> (paid by employer)	Y	Y	Y	Y
Salary sacrifice (paid by employer)	Y	Y <sup>2</sup>	Y <sup>2</sup>	N
Personal contributions (paid by member)	Y	Y <sup>2</sup>	Y <sup>2</sup>	N
Spouse contributions (paid by member's spouse)	Y	Y <sup>2</sup>	N	N

## Super Guarantee (SG) contributions

9.5% of each employee's earnings base (maximum contribution base \$52,760 per quarter equivalent to \$211,040 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.

## 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.

<sup>1</sup> 'Mandated non-SG' refers to contributions payable or made under an award, or agreement certified by an industrial authority.

<sup>2</sup> Provided the member is gainfully employed for at least 40 hours in 30 consecutive days during the same financial year in which the contributions are made.

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## Annual contribution limits

### Concessional (employer and salary sacrifice) contributions

Amount	Tax payable
Concessional contributions to \$25,000	15% contributions tax (30% for total incomes over \$250,000) <sup>3</sup>
Concessional contributions above limit <sup>4</sup>	Member's marginal tax rate plus an interest charge ('excess concession contributions' charge)

### Non-concessional (after-tax) contributions

Amount	Tax payable
Non-concessional contributions to \$100,000 applies to personal contributions for which you do not claim an income tax deduction. Or \$300,000 over a three-year period (age limits and superannuation balance limits apply). <sup>5</sup>	Nil contributions tax
Non-concessional contributions above limit	You can choose to withdraw the excess contributions and any earnings from your super. The earnings are then included in your income tax assessment and taxed at your marginal rate. If you don't withdraw the earnings, the excess is taxed at 47%.

## Tax concessions for contributions

### 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 \$36,813 with no co-contribution entitlement at or above \$51,813.

### 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 intent to claim a tax deduction on the personal contribution prior to any withdrawal from your super account.

### 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).

<sup>3</sup> Includes before-tax contributions and other items such as reportable fringe benefits.

<sup>4</sup> Excess concessional contributions also count towards the non-concessional cap.

<sup>5</sup> Using bring-forward rule, if you are aged 64 or less on 30 June 2017, you can contribute up to \$300,000 over 3 years provided that

- your super balance as at 30 June the previous financial year is not greater than \$1.4 million
- you can satisfy the work test (working for 40 hours in any 30-day period during the financial year) for any contributions made on or after your 65th birthday.

A further constraint on the 3-year bring forward rule is that if your account 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 *Opportunities and limits for super contributions* fact sheet at [www.ngssuper.com.au/PDS](http://www.ngssuper.com.au/PDS) for more details.

## 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 49% if no TFN held

## Tax on superannuation benefits

Age	Assessable part	Tax rate <sup>6</sup>
<b>Age 60 and over</b>	Nil	n/a
<b>Under age 60</b>		
Tax-free component	Nil	n/a
Taxable component		
- Under preservation age	100%	20%
- Between preservation age and age 60	Up to \$200,000 <sup>7</sup>	\$0
	\$200,000+	15%

## Reportable super contributions

Reportable super contributions must be noted on your PAYG Payment Summary and declared on your tax return. They will be taken into account to determine your eligibility for certain Federal Government benefits.

Reportable employer super contributions include:

- any contributions an employer makes on behalf of members above the current 9.5% super guarantee rate (where the member has influenced the amount or rate their employer contributes for them), and
- voluntary salary sacrifice contributions.

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 2017/18

Females	Males
65.5	65.5

This will gradually increase to age 67 for both males and females in 2023/24 and is Coalition policy to rise to 70 by 2035.

<sup>6</sup> Does not include Medicare levy or reflect rates for untaxed schemes.

<sup>7</sup> This is known as the low rate cap amount which is reduced by any amount previously applied to the low rate threshold.

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### Contact us

You will find most information you need about us on our website [www.ngssuper.com.au](http://www.ngssuper.com.au), but you can also contact us any time by mail, phone or email.

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### 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 advice at no extra cost:

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

To make an appointment phone us on **1300 133 177** or complete the *financial planning enquiry* form on our website at [www.ngssuper.com.au/financial-planning](http://www.ngssuper.com.au/financial-planning).

### Important information

The information provided in this information 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.

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The information in this brochure is based on our interpretation of superannuation rules applicable at 1 July 2017. The information is general in nature and does not take into account your objectives, financial situation or needs. Please assess your own financial situation, read the Product Disclosure Statement for any product you may be thinking of acquiring and consider seeking professional advice before acting on this information.

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