



Super Co-contributions

What are Super Co-contributions?

Super Co-contributions are payments made by the Federal Government to reward Australians who save for their retirement. People who make non-concessional contributions to their own super will receive a maximum of \$1 from the Federal Government for every \$1 they have paid into their superannuation account.

The maximum Super Co-contribution of \$1,000 is available for members earning \$31,920 or less per year. The payment reduces until it ceases for members earning \$61,920 or more.

What contributions qualify for Super Co-contribution?

Only non-concessional (personal) contributions from your after-tax income qualify for the Super Co-contribution. These could be after-tax contributions to any RBF scheme or the RBF Investment Account.

Personal contributions to the following RBF schemes and accounts are eligible.

- Contributory Scheme
- State Fire Commission Superannuation Scheme
- Tasmanian Ambulance Service Superannuation Scheme
- RBF Investment Account

The following superannuation payments do NOT qualify:

- Superannuation contributions made by your employer
- Salary sacrifice contributions to any scheme or account
- Contributions where you have advised you intend to claim a tax deduction (usually restricted to self employed persons)
- Spouse Contributions or contributions made by another person into your superannuation account.

Your Super Co-contribution is treated like other super contributions and is usually preserved in the fund until you reach your preservation age and retire, or meet another condition of release.

Who qualifies for the Super Co-contribution?

To qualify for a Super Co-contribution, you must satisfy all of the following requirements:

- Have made a non-concessional (personal) contribution to your superannuation account during the financial year
- Have a total income (assessable income plus reportable fringe benefits plus reportable employer superannuation contributions) of less than \$61,920 for 2009–10 (\$60,342 for 2008–09)
- Received 10% or more of your income from active income such as eligible employment, running a business or a combination of both

- Lodge an income tax return for the financial year
- Be less than 71 years of age at the end of the financial year in which you made personal contributions
- Not hold an eligible temporary resident visa.

Eligible employment generally means anything resulting in you being treated as an employee.

Total income for the self employed is calculated by adding their assessable income and reportable fringe benefits minus business income deductions.

How much Super Co-contribution will I receive?

The rate of the Super Co-contribution matches 100% of your contributions up to the maximum available for your income.

Total income \$31,920 or less:
Maximum amount of \$1,000

Total income higher than \$31,920 but less than \$61,920:
\$1,000 less 3.33 cents for every dollar income over \$31,920

Total income \$61,920 or over:
No Super Co-contribution is available.

The table below gives an indication of the Super Co-contribution available at different salary levels.

| | Your personal contribution is: | | | |
|-------------------------|--------------------------------------|-------|-------|-------|
| | \$1,000 | \$800 | \$500 | \$200 |
| Your income is: | Your Super Co-contribution will be:* | | | |
| \$31,920 or less | \$1,000 | \$800 | \$500 | \$200 |
| \$33,920 | \$933 | \$800 | \$500 | \$200 |
| \$35,920 | \$867 | \$800 | \$500 | \$200 |
| \$37,920 | \$800 | \$800 | \$500 | \$200 |
| \$39,920 | \$733 | \$733 | \$500 | \$200 |
| \$41,920 | \$667 | \$667 | \$500 | \$200 |
| \$43,920 | \$600 | \$600 | \$500 | \$200 |
| \$45,920 | \$533 | \$533 | \$500 | \$200 |
| \$47,920 | \$467 | \$467 | \$467 | \$200 |
| \$49,920 | \$400 | \$400 | \$400 | \$200 |
| \$51,920 | \$333 | \$333 | \$333 | \$200 |
| \$53,920 | \$267 | \$267 | \$267 | \$200 |
| \$55,920 | \$200 | \$200 | \$200 | \$200 |
| \$57,920 | \$133 | \$133 | \$133 | \$133 |
| \$59,920 | \$67 | \$67 | \$67 | \$67 |
| \$61,920 | \$0 | \$0 | \$0 | \$0 |

* These figures assume you satisfy all criteria to receive the Super Co-contribution.

How is my income assessed?

To be eligible you need to earn less than \$61,920 during the 2009–10 financial year (including reportable fringe benefits). You won't be eligible for the Super Co-contribution if you earn more than this amount.

Prior to 2009–10, members could use Salary Sacrifice to lower their assessable income and access the Super Co-contribution. The rules have changed from 2009–10 and any amount you Salary Sacrifice to super (reportable employer superannuation contributions) will be included in your assessable income.

What do I need to do to receive my Co-contribution payment?

You don't need to apply for the payment. If you're eligible for the Super Co-contribution all you need to do is make personal contributions to your super fund and lodge your income tax return as normal.

The Australian Tax Office (ATO) will then calculate your Super Co-contribution based on the information in your income tax return and the contribution information they receive from RBF.

How will I know the ATO has paid my Super Co-contribution?

The ATO will notify you in writing of any Super Co-contributions made into your super account once it has received all the relevant information.

The Super Co-contribution payment will usually be paid into the account or fund that's received the most contributions in the relevant year. Details of any payment into your RBF Investment Account will be included in the twice-yearly member statements provided to you.

Enquiries about any missing Super Co-contribution payments should be directed to the ATO by phoning 13 10 20.

How will my Super Co-contribution payment be taxed?

It will be treated as a non-concessional (personal) contribution for taxation purposes. This means it will be treated in the same manner as your own contributions and will not be subject to any taxation when paid into your account. It will also not be taxed when your benefit is paid to you and will not count towards your non-concessional contribution limit.

How do I make personal contributions to RBF?

As an RBF member you can make contributions in the following ways:

- you can arrange to make regular salary deductions (you need to complete the *Election to Pay Contributions into the RBF Investment Account* form or contact us);
- individual payments can be made directly to RBF by cheque (or cash, at our Hobart office). RBF will notify you in writing when your payment is received;
- you can arrange to make regular payments via direct debit from your bank or credit union account (you need to complete a *Direct Debit Application* form);
- you can direct deposit individual amounts from your bank or credit union account (you need to complete a *Deposit* form). RBF will notify you in writing when your payment is received.

Important information

This fact sheet contains general information only. It is not intended to be, and should not be relied upon as legal, financial or other advice. It has been prepared without taking into account your personal objectives, financial situation or needs. You will need to consider whether this information is appropriate to your circumstances. We recommend that you talk to a financial adviser and read any relevant RBF documentation before making a decision.

Need help?

Contact one of our RBF Superannuation Consultants to discuss your personal situation or to arrange an appointment. And if you need advice, they will refer you to a financial planner with RBF's financial planning company, RBF-TAS Planning Pty Ltd.

Phone: 03 6233 3672 or 1800 622 631

Email: super@rbf.com.au

Website: www.rbf.com.au

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