

Non-concessional (after-tax) contributions

This fact sheet is for ESSSuper members and their partners who want to boost their super and retirement savings by making additional non-concessional (i.e. 'after tax') contributions to super.

Eligibility

Eligibility to make after-tax (non-concessional) contributions to super depends on your age and how much paid employment you undertake during the financial year.

Age	Can you make non-concessional contributions to super?
Under 65	Yes.
65 – 74 [#]	You need to have worked at least 40 hours in any period of 30 consecutive days during the financial year that the contribution is made.
75 and over [#]	No.

* The maximum age for spouse contributions is 69.

If you are aged 65 years or older, you may be able to contribute the proceeds from the sale of your main residence. See Downsizer contributions section for more information.

ESSSuper's defined benefit funds

The ESSS DB Fund, New Scheme, Revised Scheme, SERB Scheme and Transport Scheme accept prescribed non-concessional contributions.

You can make additional non-concessional contributions to another superannuation account or fund such as ESSSuper's Accumulation Plan.

ESSSuper's Accumulation Plan

ESSSuper's Accumulation Plan can accept all types of superannuation contributions (concessional and non-concessional) and rollovers from other super funds.

The Accumulation Plan offers ten different investment choices. Your partner/spouse is also eligible to join.

Income Stream products

Income stream products – also known as account based pensions – can only be established by transferring your lump sum superannuation account from either an eligible ESSSuper account or transferring funds in from another superannuation fund. An income stream is not able to accept rollovers, transfers, or contributions once it has commenced.

Contribution caps

There are limits (called 'caps') on the amount of non-concessional super contributions that can be made.

From 1 July 2017, you can make non-concessional contributions up to a maximum of \$100,000 each year – subject to the work test if you are aged between 65 and 74.

If you have a total super balance of \$1.6 million or more at 30 June of the previous financial year (Transfer balance cap for the 2018-2019 financial year) your non-concessional contributions cap is zero and any non-concessional contributions you make will be subject to excess non-concessional contributions tax and taxed at the highest marginal tax rate.

Contributions over the contribution cap, if left in the fund, are taxed at the top marginal tax rate.

If you exceed the cap a notice of excess non-concessional (after-tax) contributions will be sent to you by the ATO and must be used to authorise the release of these excess contributions from your super account. It is important to stay under this cap because of the breach penalty.

Caps apply to each individual and are based on the contributions you or your employer make to all the super funds you may have. Caps may change, and breaching one may incur tax penalties. Visit the ATO website for the latest super contributions information.

Bring Forward Rules (\$300,000)

If you have a total super balance of less than \$1.4 million and you are under 65 years, you can 'bring forward' more than \$100,000 of non-concessional contributions in one year (e.g. you can use up to 3 years of caps in 1 or 2 years), as long as you don't exceed \$300,000 over a rolling three-year period.

If you have a total super balance of \$1.4-\$1.5 million and you are under 65 years, you can bring forward up to \$200,000 over a two-year period.

Government super co-contribution

Non-concessional (after-tax) contributions are eligible for Government co-contributions of up to \$0.50 for every \$1.00 you contribute, to a limit of \$500.

For the 2018-19 financial year, to be eligible for the full \$500 co-contribution, you need to have contributed \$1,000 of personal non-concessional contributions and your assessable income must be \$37,697 or less. If you earn more, the co-contribution reduces progressively. If you earn \$52,697 or more, the co-contribution does not apply.

From 1 July 2017, in addition to these requirements you must have a total superannuation balance less than the transfer balance cap (\$1.6 million for the 2018-19 financial year) at the end of 30 June of the previous financial year, and must not have contributed more than your non-concessional contributions cap.

There are other requirements to be eligible for a co-contribution. Please refer to the ATO website.

You don't need to apply for the co-contribution, the ATO will pay the amount into your super fund after you have completed your tax return.

Downsizer contributions

From 1 July 2018, individuals aged 65 and over will be eligible to make a non-concessional contribution of up to \$300,000 or \$600,000 per couple from the proceeds of selling their home – to be counted towards a downsizer cap.

Existing Non-concessional contribution restrictions placed on individuals aged 65 and older and those aged 75 and older will be lifted when contributing via this measure.

Total Super Balance restrictions placed on individuals will also be lifted for those aged 65 and over making downsizer contributions. It should be noted that Downsizer contributions do count towards the Total Super Balance going forward which may impact your ability to make non-concessional contributions in the future. To better understand this measure and your eligibility to participate, please refer to the *Downsizer Contribution Fact Sheet*, or call our Member Service Centre.

Access to non-concessional contributions

All contributions paid into super after 30 June 1999, including non-concessional contributions, must be 'preserved' in accordance with superannuation legislation. Therefore, you can't withdraw these contributions until you have met a 'condition of release' such as permanent retirement from the workforce after your preservation age (which varies from 55 to 60 depending on your year of birth). Please refer to the *Accessing your super guide (AP.6)* for full details of preservation of benefits.

Learn more

If you'd like to learn more about after-tax contributions the following fact sheets could be helpful:

- Access to super and tax
- Boosting your super
- Consolidate your super
- Spouse accounts

You can access these on our website or by calling our Member Service Centre (numbers below).

If you have any questions or wish to make a one-off or regular after-tax super contribution, see our *Accumulation Plan Product Disclosure Statement* and *Contributing to super guide (AP.1)* on our website.

Alternatively, call our Member Service Centre on 1300 650 161 (emergency services members) or 1300 655 476 (state super members).

We look forward to hearing from you!

Proudly serving our members

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