

JAS PARTNERS

CHARTERED ACCOUNTANTS

BUSINESS ADVISERS – TAXATION PROFESSIONALS – SUPERANNUATION CONSULTANTS

SUPERANNUATION CO-CONTRIBUTIONS

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The superannuation co-contribution is a government initiative to help individuals boost their super savings for the future. You can take advantage of the scheme by making eligible personal super contributions to your super fund. The government will then match up to (50cents for each \$1) of your personal super contributions.

The maximum co-contribution payable depends on the income year in which you make your contributions and whether your total income falls between the “thresholds” for that year.

Co-contribution and Tax

- is not subject to tax when paid into your super fund
- is not included in your income in your tax return
- is preserved in the super fund and can only be accessed under certain criteria.

Are you eligible?

Only if all of the following apply:

- Make eligible personal contributions into a complying super fund and don't claim a deduction for it;
- Total income (minus allowable business deductions) for the year is less than the higher income threshold;
- 10% or more of your total income comes from eligible employment related activities, carrying on a business or a combination of both;
- you are less than 70 years old at the end of the income year;
- you are not a holder of a temporary visa at any time during the year, unless you are a New Zealand citizen or holder of a prescribed visa;
- you lodge an income tax return for the relevant income year.

Income “Thresholds” for year ended 30 June 2013?

Lower income threshold - \$31920

Higher income threshold - \$46920

Maximum entitlement is \$500. However, this will reduce, for every dollar your total income , (less allowable business deductions) is over \$31920, up to \$46920.

Working out the exact amount of your total income and eligible income can be complex depending on your circumstances. Therefore, should you require assistance or need further detailed information, please feel free to contact our office. Otherwise you may wish to refer to the Australian Taxation Office website, to access their co-contribution calculator.

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