

## The easiest money you'll ever make? Boost your super with a Government co-contribution

Let the Government top up your super in the 2011/2012 financial year by taking advantage of the co-contribution scheme, where you could be eligible to receive up to \$1,000 tax-free.

If you're earning less than \$61,920 a year and you make an after-tax, voluntary contribution to your super, you could be eligible to receive a bonus from the Government under its co-contribution scheme.

In fact, if you are eligible, the Government could contribute up to \$1,000 a year into to your super account for free. This is not only a fantastic way to boost your retirement savings, but could very well be the easiest money you ever make!

### Who is eligible for the co-contribution?

You may be entitled to a Government co-contribution if you fit the following criteria:

- you made voluntary, after-tax contributions to a complying super fund or a retirement savings account (RSA) during the financial year,
- your total annual income was less than \$61,920,
- you are under 71 years old at the end of the financial year,
- you lodged an income tax return for the financial year,
- you have not held an eligible temporary resident visa at any time during the financial year,
- you earned 10 per cent or more of your total income from running a business if you are self-employed, or from eligible employment<sup>1</sup>, or a combination of both.

### How much will I be entitled to?

The Government could pay you a reward of up to \$1.00 for every dollar of your own money you pay into super.

If you are earning less than \$31,920 per year, you could be entitled to the Government's maximum co-contribution of \$1,000. If your income is above \$31,920, the maximum co-contribution will reduce for each additional dollar of income, and phase out completely at \$61,920 total income.

As a guide, the table over the page shows the amount you would need to pay into your super to receive the maximum Government co-contribution for different levels of income.

<sup>1</sup>Eligible employment generally means anything resulting in you being treated as an employee. Amounts from eligible employment also includes some income of employees who think of themselves as being self-employed, such as those who run their business through a company and the company pays them salary or wages.

**Co-contribution update:**  
From 1 July 2012 the co-contribution scheme will undergo some big changes. Not only will the matching rate be halved, meaning the maximum co-contribution payable will be \$500, but the upper income threshold will also be reduced from \$61,920 to \$46,920. So get in quick to make the most of your voluntary contributions.

make your dreams  
more than dreams



For example, if your total income is \$40,000, the maximum Government co-contribution you are entitled to is \$731. The minimum you need to contribute to receive this is \$731.

Your total income*	You pay	Your reward
\$31,920	\$1000	\$1,000
\$35,000	\$897	\$897
\$40,000	\$731	\$731
\$45,000	\$564	\$564
\$50,000	\$397	\$397
\$55,000	\$231	\$231
\$61,920 or more	\$0	\$0

\* Total income = assessable income + reportable fringe benefits + reportable super contributions

**Tip:** If your super fund does not have your tax file number (TFN), any money your employer pays into super for you will be taxed at the highest rate of tax, and without a TFN, your fund cannot accept your voluntary contributions. You may also pay more tax than you need to. To provide us with your TFN, simply call **13 11 84** or log on to [sunsuper.com.au](https://www.sunsuper.com.au) and follow the prompts.

### Can I make smaller payments and still be eligible?

Yes. You can make smaller payments throughout the year and still be eligible for a co-contribution. For example, if you are earning up to \$31,920 per annum and you pay \$20 a week into your super fund, this will add up to total of \$1,040 over the year, which means you could be entitled to the maximum \$1,000 reward from the Government. This could more than double the total amount you pay into your super fund over the year which is a great deal.

Even if you don't contribute the full amount needed to receive the maximum contribution from the Government, you can still take advantage of the scheme. However, just remember that for every \$1 less than the full amount needed to receive the maximum co-contribution, the Government's contribution drops by \$1.

It's also important to know the contribution you pay into your super needs to be from your after-tax money so does not include the super paid in by your employer, nor any payments you make to your super through salary sacrificing.

For more information on working out the amount of co-contribution you may be entitled to, use the co-contribution calculator on the Australian Tax Office (ATO) website - visit [www.ato.gov.au](https://www.ato.gov.au).

### Are there any other benefits?

The good news is that any after-tax, voluntary contributions you make and the Government's co-contribution payment are classified as tax-free in your super. This means there is no tax to pay on these contribution amounts when you retire and are ready to draw down on your super.

### Is there anything else I need to know?

Contributions which do not qualify for the Government co-contribution include employer contributions and salary sacrifice, any contributions which you have claimed as a tax deduction, rollovers from other super funds, and transfers from overseas super funds.

### How do I make a voluntary contribution into my fund?

There are four ways you can make payments into your super to take advantage of the Government's co-contribution scheme:

1. Your employer can deduct the money from your salary. Speak with your employer to find out how to arrange this.
2. You can arrange a monthly payment to Sunsuper from your nominated bank account. A *Direct debit* form can be downloaded from [sunsuper.com.au](https://www.sunsuper.com.au).
3. You can arrange to BPAY<sup>®</sup> with your financial institution.
4. You can send a cheque to Sunsuper. Call **13 11 84** for details.

**Tip:** If you have changed your super fund during the year, you will need to give the ATO the correct details of your new fund as soon as you can by completing a *Superannuation fund nomination* form (NAT 8676). This will ensure your co-contribution is sent to the right fund. The form is available at

### When will I receive the co-contribution?

The Australian Taxation Office determines the amount of the co-contribution to pay after it receives your annual tax return and will automatically credit the amount to the super fund to which you made your own payments. If you have any questions about the Government's co-contribution scheme, or would like to talk to an expert about any aspect of your super, please call us on **13 11 84**.

### Where can I get more information?

Sunsuper can provide you with the help and advice you need, whether you have a simple question or would like to consider your total financial situation. Our financial planners<sup>2</sup> can answer most of your questions about your Sunsuper account simply and quickly over the phone. If it's something more complex, you can arrange a meeting with a financial planner. Our planners can give you advice on many aspects of your finances - not just your Sunsuper account.

<sup>2</sup>Simple advice about super is provided at no additional cost. More detailed advice may incur a fee. All advice is provided by representatives of either Sunsuper Pty Ltd or Sunsuper Financial Services Pty Ltd (ABN 50 087 154 818, AFSL No. 227867), a wholly owned subsidiary of Sunsuper.

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