

Fact Sheet

Government co-contributions

#12

What is the super co-contribution?

The Federal Government's super co-contribution scheme is designed to help lower income earners boost their retirement savings in superannuation. If you are eligible, the Government will contribute up to \$1.00 for every after-tax dollar you put in, up to a maximum contribution of \$1,000 per year.

Am I eligible?

You may be eligible for the Government co-contribution payment if you meet all of the following criteria:

- > earn a total assessable annual income of less than \$61,920 (2009/10) including reportable fringe benefits;
- > make non-concessional (after-tax) super contributions into a complying super fund or Retirement Savings Account (RSA);
- > are either employed or substantially self-employed*;
- > lodge an income tax return for the year of income;
- > are under 71 years of age at the end of the year of income; and
- > do not hold an eligible temporary resident visa.

* Substantially self-employed means that 10% or more of your total income comes from self-employment in carrying on a business, trade, profession or calling which is not an occupation defined as an employee and does not qualify for Super Guarantee contributions.

Do I have to apply for the Government co-contribution?

You don't need to apply for the Government co-contribution, you just need to do your annual income tax return.

The Australian Taxation Office (ATO) will use the information on your income tax return and contribution information received from your superannuation fund to work out whether you are eligible for the Government co-contribution. If you are eligible, your co-contribution amount will be automatically calculated and deposited into your superannuation account.

How much will I get?

The maximum amount the Government will pay into your superannuation fund in a financial year is \$1,000 (based upon an after-tax contribution of \$1,000) for people earning a total income of \$31,920 per annum or less. If you earn above this amount, the available co-contribution reduces for every dollar you earn over \$31,920 and will cut out at \$61,920.

You can use this table as a guide as to what you would receive if you are eligible for the co-contribution this year.

Government co-contribution if you contribute to super after-tax

Your total annual income	After-tax contributions		
	\$200 per year	\$500 per year	\$1000 per year
\$31,920 or less	\$200	\$500	\$1,000
\$33,920	\$200	\$500	\$933
\$37,920	\$200	\$500	\$800
\$43,920	\$200	\$500	\$600
\$47,920	\$200	\$433	\$433
\$53,920	\$200	\$266	\$266
\$57,920	\$133	\$133	\$133
\$61,920	\$0	\$0	\$0

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The taxation information included in this brochure is a general guide only. As taxation laws are complex and individual circumstances vary, you should seek individual taxation advice from a qualified advisor.

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Can I receive the co-contribution every year?

Yes, providing you meet the eligibility criteria, you can benefit from this incentive every year for as long as its offered by the Government.

Other things to know about the Government co-contribution

- > The Government co-contribution is treated as a non-concessional contribution when paid in to your super fund. This means that
 - there is no tax deducted when it is received by the super fund;
 - no tax deduction or rebate can be claimed;
 - these amounts are tax-free upon withdrawal from the super fund;
 - the co-contribution is preserved in the fund until you satisfy a condition of release, such as permanent retirement after you reach your minimum retirement age.

However, unlike most non-concessional contributions, the co-contribution does not count towards the non-concessional contributions cap (refer to *Fact Sheet #9* for more information).

- > Income levels to determine eligibility and amount of co-contribution may be indexed each year.
- > You cannot receive a Government co-contribution if you have not provided us with your TFN.
- > The Government co-contribution does not count towards funding your defined benefit entitlements (if any).
- > Salary sacrifice contributions now count towards the income test to determine eligibility for the Government co-contribution.