Equip Super

Contribution caps fact sheet

What you need to know about contribution caps

There are limits on the amount of super contributions you can make to your super account. Contributions in excess of these limits may attract additional tax.

The contribution limits are commonly referred to as caps. Different caps apply depending on whether your contributions are pre-tax (concessional), or after-tax (non-concessional).

Contributions are reported to the ATO on an ongoing basis. For reporting purposes, contributions are attributed to the year in which they are banked by the super fund.

Concessional contribution cap

What is the current cap amount?

The concessional contributions cap is $32,500. If your total super balance (TSB) is under $500,000 on 30 June of the previous financial year, you can carry forward the unused portion of your pre-tax cap on a rolling basis over five years. This means that you may be able to make contributions of more than $32,500 without incurring additional tax. You can check your available concessional contributions cap on ATO online services (accessed via myGov).

What counts toward this cap?

Contributions that count toward your concessional contributions cap include (but are not limited to):

- Employer contributions, including Superannuation Guarantee (SG) contributions;
- Salary sacrifice contributions;
- Employer-paid fees and insurance premiums for accumulation members;
- Notional taxed contributions (NTCs) for defined benefit members;
- Personal contributions for which you have claimed an income tax deduction.

You can see how contributions to your Equip Super account are tracking against your cap at any time by logging into your account on equipsuper.com.au. You will need your member number and your PIN.

What happens if you exceed this cap?

Any contributions made in excess of the contributions cap will incur tax at your marginal tax rate (less a rebate for the 15% contribution tax paid by the fund). You also have the option to withdraw up to 85% of your excess concessional contributions to help pay the tax, or you can leave the excess contribution in your super account and pay the income tax bill from money outside the super system. The amount of contribution which exceeds the cap counts towards the after-tax (or non-concessional) contribution cap for that year if you do not withdraw the excess amount. This may result in you exceeding your non-concessional contributions cap and incurring additional tax.

Non-concessional contribution caps

What is the cap amount?

If you are aged under 75 you can make non-concessional contributions. The non-concessional contribution cap is currently $130,000 per financial year. You can "bring forward" your non-concessional contributions up to $390,000, or three times your non-concessional contributions cap over a three-year period. These limits may change in the future.

Your total super balance at 30 June of the previous financial year determines your non-concessional contribution limit. If your TSB is less than $1.84 million, you may be able to contribute up to $390,000 under the bring-forward rule. If your TSB is between $1.84 million and $1.97 million, lower contribution limits apply. If your TSB is $1.97 million or more, you cannot use the bring-forward rule. If your TSB is in excess of $2.1 million, you can no longer make any after-tax contributions. The The fund must have your tax file number (TFN) to accept non-concessional contributions.

What counts toward this cap?

Contributions that count towards the non-concessional contribution cap include (but are not limited to):

- Member contributions for which no tax deduction has been claimed (after-tax);
- Concessional contributions in excess of the concessional cap that are not withdrawn from the Fund;
- Excess CGT small business contributions;
- Spouse contributions (count towards the receiving spouse's cap);
- Transfers from a super fund outside of Australia.

Rollovers from other super funds and the Government co-contribution do not count towards this cap.

What happens if you exceed this cap?

If you exceed the cap, you can choose how you would like your excess non-concessional contributions treated and taxed. The ATO will write to you and advise you of your options.

Work test

The work test applies for 67-74 year olds who wish to claim a tax deduction relating to their personal super contribution. You must be able to show that you have been gainfully employed for 40 hours or more during a period of 30 consecutive days in the financial year.

Further information

You can contact our Helpline **1800 682 626** with any questions you may have. More information regarding contributions caps and excess contributions tax is also available from the ATO website **ato.gov.au**

If you would like to speak to our Equip Super financial advice team, please call our Helpline.

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