

Super caps, rates, and thresholds

This factsheet provides you with information on superannuation related caps, rates, thresholds, and other important information for the 2023/24 financial year.

SUPERANNUATION CAPS AND THRESHOLDS	
Cap/Rate/Threshold	Financial Year 2023/23
Concessional contribution cap (CCCap)	<p>\$27,500 – Annual CCCap limit</p> <p>Carry forward provision</p> <p>Eligible members with a total superannuation balance (TSB) of less than \$500,000 on 30 June of the previous financial year will be able to access any unused concessional contribution cap amounts, on a rolling basis for a period of up to 5 years.</p>
Excess concessional contributions	<p>Accrued unused concessional contribution cap amounts can be accessed from 1 July 2019. Accrued unused concessional contribution cap amounts that have not been used will expire after five years.</p> <p>Individuals who make contributions on or after 1 July 2021 that exceed their concessional contributions cap limit, will no longer be liable to pay the excess concessional contribution contributions charge.</p>
Non-concessional contribution cap (NCCCap)	<p>\$110,000 – Annual NCCCap limit</p> <p>Notes:</p> <p>If your total super balance is greater than or equal to the general transfer balance (\$1.97m), your non-concessional contribution cap can be nil.</p> <p>From 1 July 2022, members under 75 years of age will be able to make or receive non-concessional (see below) or salary sacrifice contributions without needing to satisfy the work test, subject to existing contributions cap limits. You can make a voluntary personal contribution provided it is received by the fund within 28 days of the date on which you turn 75. Refer to Other Important Information for details on satisfying the work test, or https://ato.gov.au.</p>
Three year bring forward arrangement	<p>If you make contributions above the annual non-concessional contributions cap you may be eligible to automatically gain access to future year caps. This is known as the bring-forward arrangement. It allows you to make extra non-concessional contributions without having to pay extra tax.</p> <p>Eligibility for the bring-forward arrangement depends on your:</p> <ul style="list-style-type: none"> age total super balance on 30 June of the previous financial year. <p>From 1 July 2022 if you are under 75 years old at any time in a financial year you may be able to make non-concessional contributions of up to 3 times the annual non-concessional cap in that financial year.</p> <p>The following table represents the bring-forward arrangement for the first year based on total super balance.</p>

SUPERANNUATION CAPS AND THRESHOLDS

	Total super balance on 30 June of Previous Year	Contribution and bring forward available
	Less than \$1.68 million	Access to \$330,000 cap (over three years)
	Greater than or equal to \$1.68 million and less than \$1.79 million	Access to \$220,000 cap (over two years)
	Greater than or equal to \$1.79 million and less than \$1.9 million	Access to \$110,000 cap (no bring-forward period, annual non-concessional contributions cap limit applies)
	Greater than or equal to \$1.9 million	Nil
	Nil tax applies	
Excess non-concessional contribution tax	<p>You can choose to withdraw excess non-concessional contributions and 85% of associated earnings. Earnings are then included in your next income tax return, and taxed at your marginal tax rate less a 15% tax offset. If the excess non-concessional contributions and earnings are not withdrawn, these will be subject to the highest marginal tax rate plus applicable levies.</p> <p>Note: You must not apply to your super fund to release an amount relating to exceeding your cap. You must wait until the ATO has sent you your determination letter. Once you have selected your option for paying the tax, the ATO will send your super fund a release authority</p>	
Lifetime capital gains tax (CGT) cap	<p>Certain proceeds from the disposal of eligible small business assets can be contributed to super. Subject to a lifetime cap of \$1,705,000 in the 2023/24 financial year.</p> <p>Special rules apply. Refer to the ATO website (ato.gov.au).</p>	

CONTRIBUTING TO SUPERANNUATION

Claiming a tax deduction for personal contributions (ATO notice of intent to claim or vary a deduction for personal super contributions)

A tax deduction can be claimed for personal contributions (not salary sacrifice) if you meet the age restrictions, including if you are under age 67, or aged 67 to 74 inclusive and meet the work test, or met the work test exemption criteria in the financial year in which you make the contribution (refer to the Section: Other important information for the eligibility criteria of work tests).

Before you claim a deduction, you must meet the eligibility criteria, give the fund the Notice of Intent, and receive an acknowledgement from the fund that your Notice of Intent is valid.

You must give a notice of intent to claim or vary a deduction to your super fund by the earlier of the day you lodge your tax return for the year in which you made the contributions, or the end of the income year following the one in which you made the contributions. For further details on the special rules that apply, refer to the ATO website (ato.gov.au) for further information.

Superannuation co-contribution for eligible members who have made personal super contributions in the financial year

The Australian government can make certain contributions to your super fund account for low- to middle-income earners (called a co-contribution) up to a maximum amount of \$500 to your super fund. To be eligible, you need to have made personal super contributions in the financial year and have provided your tax file number. The ATO will assess eligibility at the end of each financial year and where a co-contribution is payable will make a co-contribution (determined by your eligibility and reportable assessable income) to your super fund account automatically.

How it works

You will receive 50 cents for every \$1 contributed, up to a maximum co-contribution of \$500, reducing by 3.333 cents for every dollar your income is over the lower income threshold of \$43,445. The co-contribution will cease at the upper threshold of \$58,445 in the financial year 2023/24.

Downsizer contribution for individuals aged 55 or more from 1 January 2023 (no maximum age limit)

Limited to capital proceeds from disposal of a qualifying main residence located in Australia with a sale contract on or after 1 July 2018. You are eligible if you were aged 55 and above from 1 January 2023, and you can make a downsizer contribution of up to a maximum of \$300,000 individually. Four couples this may mean a total of up to \$600,000 can be contributed toward super, however the contribution amount cannot be greater than the total proceeds of the sale of your home. The downsizer contribution forms part of your tax free component held in the fund, and is not counted in your annual concessional and non-concessional contribution caps.

Rules apply on ownership, timing, CGT, and excess contributions. Refer to the ATO website (ato.gov.au) for further information.

Personal injury contributions

Certain personal injury payments can be contributed and may be exempt from your non concessional contributions cap subject to eligibility.

Spouse contribution tax offset

Eligible members may receive up to \$540 tax offset if their spouse's assessable income is less than \$37,000 and either they have not exceeded their non-concessional contributions cap for the relevant year, or their total superannuation balance is below the general transfer balance cap of \$1.9 million

	<p>just before the start of the relevant financial year, and contributions made to your spouse's super fund were not deductible to you.</p> <p>Other conditions include:</p> <ul style="list-style-type: none"> • contribution must be to a complying super fund or retirement savings account. • Member and spouse must be Australian resident • Member and spouse must not be living separately and apart on a permanent basis • Member's spouse must be under 75 years old for claims from 1 July 2020, and under 70 years old for earlier income years. <p>The tax offset is calculated as 18% of the lesser of \$3,000, reduced by \$1 for every \$1 that the sum of your spouse's assessable income (including reportable fringe benefit amounts and reportable employer super contributions for the financial year) was more than \$37,000, or the total of your contributions for your spouse for the year.</p> <p>Special rules apply. Refer to ATO website (ato.gov.au) for further information on eligibility, rates and thresholds.</p>
<p>Low income super tax offset (LISTO)</p>	<p>Eligible members with an adjusted taxable income of up to \$37,000 may be eligible to receive a LISTO payment from the Australian government. This payment is usually paid directly into their super account.</p> <p>The LISTO payment will be equal to 15% of the total concessional contributions per year, capped at \$500. For further information on eligibility and further rules that apply in respect of LISTO payments, please refer to the ATO website (ato.gov.au) for further information.</p>

TAXATION IN SUPERANNUATION

<p>Tax on contributions</p> <p>If you are a high earner, you may pay an additional tax for contributions (Division 293 tax) directly to the ATO</p>	<p>Division 293 tax is an additional tax on super contributions which reduces the tax concession for individuals whose combined income and contributions are greater than the relevant threshold. This threshold is \$250,000.</p> <p>Individuals who earn less than \$250,000 – 15% applies</p> <p>Individuals who earn more than \$250,000 – 30% applies</p>
<p>Tax on super investment earnings</p>	<p>15% p.a. on investment earnings applies.</p> <p>Some capital gains may be taxed at a concessional rate of 10%. Refer to the Additional Information Guide and the ATO website (https://www.ato.gov.au/Super/) for more information.</p>
<p>Tax on exceeding the transfer balance cap</p>	<p>Transfer balance cap is \$1.9 million for 2023/24 financial year.</p> <p>Excess amounts plus excess transfer balance earnings have to be removed. Earnings accrue until excess is removed. Earnings accrued is based on ATO general interest charge. Refer to the ATO website (ato.gov.au) for the latest general interest charge rate. Tax rate due is 15% for first incident and 30% for each incident of excess thereafter.</p>

TAX TREATMENT OF LUMP SUM PAYMENTS (Taxed Fund)

<p>Under preservation age</p> <ul style="list-style-type: none"> • Tax free component • Taxable components – Taxed Element • Taxable Component – Untaxed Element 	<p>Tax free.</p> <p>Marginal tax rate or 20% (whichever is lower) plus applicable levies.</p> <p>30% up to untaxed plan cap amount, and 45% above untaxed plan cap amount</p>
<p>At or above preservation age and under 60</p> <ul style="list-style-type: none"> • Taxable component – Taxed Element • Taxable Component – Untaxed Element 	<p>Tax free up to low rate cap amount, balance taxed at your marginal tax rate or 15% plus applicable levies (whichever is lower).</p> <p>15% up to untaxed plan cap amount, 30% above the low rate cap amount and up to the untaxed plan cap amount, and 45% above the untaxed plan cap amount</p>
<p>Aged 60 and over</p> <ul style="list-style-type: none"> • Taxable component – Taxed Element • Taxable Component – Untaxed Element 	<p>Tax free.</p> <p>15% up to the untaxed plan cap amount, and 45% above the untaxed plan cap amount</p>
<p>Lump sum withdrawal – concessional low rate cap</p>	<p>Tax payable on the taxable component of a lump sum payment is tax free up to the low rate cap of \$235,000. It applies if you have reached your preservation age but are below 60 years of age when you withdraw super out of your fund. Thereafter, it is taxed at 15% (plus applicable levies). The low rate cap is a lifetime cap which is reduced by any amount previously applied to the low rate threshold. Refer to <i>Key super rates and thresholds</i> on ato.gov.au for further information on tax rates applicable to lump sum payments.</p>
<p>Tax when rolling over to a pension account</p>	<p>Nil, as long as you are within your transfer balance cap</p>
<p>Tax on terminal illness or death</p>	<p>Refer to the Additional Information Guide or the ATO website (ato.gov.au).</p>

TAX TREATMENT OF LUMP SUM PAYMENTS (Taxed Fund)

Tax on temporary residents departing Australia

Temporary residents who accumulated super while working in Australia on eligible temporary resident visas can claim their super from their funds if:

- You have departed Australia
- Your visa has ceased to be in effect

You are not an Australian or New Zealand citizen or permanent resident. This payment is called Departing Australia superannuation payment (DASP)

The following tax rates apply to DASP:

- tax free component – no tax payable
- taxable component – taxed at 35%
- untaxed component – taxed at 45%

If you are a working holiday maker on a 417,462 or associated bridging visa, the tax rate for DASP of 65% applies (applies to both taxed and untaxed component).