

Fact sheet



FOR MEMBERS

Contribution Limits

There are limits that restrict the amount you can contribute to super in any particular year before incurring additional tax.

Contribution limits apply to both concessional (before-tax) contributions and non-concessional (after-tax) contributions.

WHAT ARE CONCESSIONAL CONTRIBUTIONS?

These contributions are made before tax is taken out of your salary. They include Super Guarantee (SG) contributions made by employers*, personal contributions (for which you can claim a tax deduction) and salary sacrifice contributions.

Concessional contributions are taxed at a lower 'concessional' rate of 15%. If your employer subsidises any administration costs or pays insurance premiums on your behalf, these amounts also count towards your concessional contribution limit.

WHAT ARE NON-CONCESSIONAL CONTRIBUTIONS?

These are generally contributions you make to your super after tax has already been paid.

WHAT IS THE WORK TEST?

To make a non-concessional contribution you must be under age 65. Or, if you are between 65 and 74, you need to meet a 'work test' of 40 hours gainful employment within a 30 day period in the financial year in which you contribute.

Members over the age of 75 may not make contributions.

If you have \$1.6 million or more in the super system as at 30 June in the previous financial year, you will no longer be able to make non-concessional contributions.

WHAT HAPPENS IF I GO OVER MY LIMIT?

If your contributions are over your limit, you will be liable to pay more tax. Only the amount above the relevant limit is charged this additional tax. For example, if you contributed \$5,000 more than the limit, extra tax would be charged on this \$5,000.

Any concessional contributions which exceed the limit will be taxed at your marginal tax rate (including the Medicare Levy), plus an excess concessional contributions (ECC) charge. Excess concessional contributions will also be counted towards your non-concessional contribution limit. Any non-concessional contributions which exceed the limit will be taxed at 47% (including the Medicare Levy).

It's up to you to monitor your contributions. Remember, that this is a total combined limit, so if you are contributing to more than one super fund, you must adhere to the one set of limits.

HOW CAN I KEEP TRACK OF MY CONTRIBUTIONS?

You can monitor your contributions via Member Online or using the VISSF App. It is important not to use your payslip to track these contributions, because it will not take into account when your contributions are received by VISSF. For example, a contribution deducted from your pay in June

may not arrive in your account until July, which is in a different financial year.

To track your contributions, visit www.vissf.com.au and login to Member Online. Then click on Your Account tab followed by Transaction History. Here you will see this and your previous financial year's:

- amounts contributed by your employer
- salary sacrifice contributions
- other concessional amounts, and
- non-concessional contributions.

Alternatively, you can call our Client Services Team to find out how much you have contributed if you're unsure.

WHAT ARE THE LIMITS FOR 2020/21 FINANCIAL YEAR?

CONCESSIONAL CONTRIBUTIONS	NON-CONCESSIONAL CONTRIBUTIONS
Limited to \$25,000 a year.	Limited to \$100,000 a year.
<p>Concessional contributions include both employer contributions (including SG and salary sacrifice contributions), and personal contributions for which a tax deduction has been claimed.</p> <p>Any contributions in excess of this limit will be taxed at the individual's marginal rate (including the Medicare Levy), plus an excess concessional contributions (ECC) charge. These contributions will also be counted towards your non-concessional contribution limit.</p> <p>You are able to carry forward your unused concessional contributions cap amounts from 1 July 2018. This allows eligible members who do not use all of their concessional cap in a particular financial year, to carry forward their unused concessional cap amounts to future years. The first year in which you can increase your concessional contributions cap by the amount of unused cap is 2019/20, but only if you have a total super balance less than \$500,000 on 30 June in the previous year. Unused amounts are available for a maximum of five years.</p>	<p>Depending on your total super balance, if you're aged under 65, you may be able to bring forward two years of contributions giving you a total non-concessional cap of \$300,000 for the three years. Where a bring-forward has been triggered, the two future years' entitlement are not indexed.</p> <p>From 1 July 2017, the bring-forward amount and period is dependent on your total super balance and the financial year in which you triggered the bring-forward.</p> <p>Any contributions made in excess of this limit will be taxed at 47% (including the Medicare Levy). If you want some help to work out your relevant limit, please call us.</p> <p>Important: If you have \$1.6 million or more in the super system as at 30 June in the previous financial year, you will no longer be able to make non-concessional contributions.</p>

ADVICE ON CALL

As a VISSF member, you can access bite size pieces of financial advice on an extensive range of topics - at no cost, over the phone.

Getting Started

For those just getting started with their money management, these might include:

- Finding lost super
- Consolidating your accounts
- Making an investment choice
- Your contribution options

While retirement may seem like a distant concern, taking some easy, simple steps now can turbocharge your future wealth.

Building More

You don't have to be earning a lot of money to grow your wealth. Our experts can advise you on:

- Choosing the right investment option
- Ways to make extra contributions
- How to save on tax and grow your money
- Protecting your wealth using insurance

Whatever your situation, we want you to feel secure and confident about doing more to build your future wealth.

Retire Ready

Preparing for retirement can be daunting, but it's never too early to start planning. Here's how we can help.

- Work out how much you will need
- Explore your retirement options
- Learn how to set up a regular income stream
- Understand your risk tolerance
- Make the right investment choice

If retirement is on your radar, the earlier you start planning the more likely you are to retire on your terms.

Call 1300 660 027 to take advantage of our phone based financial advice services for members.

NEED HELP?

Call us on 1300 660 027

Website: www.vissf.com.au

Email: super@vissf.com.au

We're available between 8am and 5pm, weekdays. If you need to get in touch outside this time, email is the best way.

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