Superannuation Contributions

Fact Sheet, July 2025 (Applicable to 30 June 2026)

Concessional contribution – also known as before-tax contributions. It includes:

+ Compulsory employer superannuation guarantee contributions (SG) and salary sacrifice or additional employer contributions. The minimum SG contribution rate is 12%.
+ Tax Deductible personal contributions. If you are under 67, personal contributions are deductible. In order to claim the tax deduction for those aged 67 to 74, you must pass the work test or be eligible for a work test exemption (refer "Work Test").

Concessional contributions are taxed at 15% in your superannuation fund.

Division 293 Tax — An additional tax of 15% will be imposed on concessional contributions if your adjusted taxable income was greater than $250,000. Division 293 tax is levied against the individual but can be paid by the superannuation fund.

Concessional contributions cap - $30,000

Excess concessional contributions tax - if you exceed your concessional cap:

+ Amounts in excess of the cap will be taxed at the individual's marginal tax rate, with a 15% tax offset to account for the tax already paid by the super fund.
+ You may elect to withdraw up to 85% of the excess amount from your superannuation fund. The withdrawn amount will not count towards your non-concessional contributions cap.

Unused concessional cap carried forward – if you make or receive concessional contributions less than the annual concessional contributions cap for the year ($25, 000 for 2020/2021 and prior, and $27,500 for 2021/2022 to 2023/2024, and $30,000 for 2024/2025) you may be able to accrue these unused amounts and utilise them in subsequent financial years. To be eligible, your total super balance must have been less than $500,000 on 30 June of the previous year.

+ Unused amounts are available for a maximum of five years, and after this period, will expire.
+ Unused amounts from 2020/21 will need to be used in 2025/26. If not used in 2025/26 they will expire.

Re-contribution of COVID early release of super - Individuals who received a COVID-19 early release of super (for 2019/2020 and 2020/2021) will be able to re-contribute up to the amount they received without the contributions counting towards their non-concessional cap. The re-contribution can occur up until 30 June 2030.

Non-concessional contributions – are contributions from after-tax income. It includes:

+ Personal contributions that have not been claimed as a tax deduction
+ Spouse contributions
+ Contributions which exceeded your concessional contribution cap.

Non-concessional contributions caps

+ $120,000 if the members balance is under $2 million as at 30 June 2025
+ If the members balance exceeds $2 million and non-concessional contributions are made, they will be excess non -concessional contributions.

Bring Forward Rule – If you are under 75, you may make non-concessional contributions up to three times the annual non -concessional contributions cap. The maximum amount you can contribute depends on your account balance as at 30 June 2025.

Excess non-concessional contribution

+ Individuals will have the option to withdraw excess non-concessional contributions from super fund (avoiding 47% excess contribution tax).
+ The withdrawal will include 85% of the associated earnings.
+ The earnings will be taxed at the individual's marginal tax rate less a 15% non-refundable tax offset.

Please note that contributions also include any expenses paid personally by a member (on the Fund's behalf), and any transfers of listed securities or business real property into the Fund.

Total superannuation balance on 30 June 2025	Maximum non-concessional contributions cap
Less than $1.76 million	$360,000
$1.76 million to less than $1.88 million	$240,000
$1.88 million to less than $2 million	$120,000
$2 million or more	NIL

Work Test — Individuals who are between 67 to 74 years old will be able to make or receive non-concessional personal contributions and salary sacrificed contributions without meeting the work test.

They will still be required to meet the work test to claim a deduction for personal contributions. To meet the work test they must be gainfully employed and working at least 40 hours over a consecutive 30 day period in the year the contribution is made.

To evidence this, the member will be required to sign a work test statutory declaration.

Turning 75 — Once the member turns 75 years of age, their final contribution must be paid to the Fund by the 28th day of the month after they turn 75 years of age. For example, if your 75th birthday is 7 October; final contribution must be made by 28 November.

Superannuation funds are still eligible to receive SG contributions for members who are over 75 years of age.

Downsizer contributions
If a member is 55 years old or older, they may be able to make a downsizer contributions to their superannuation of up to $300,000 (each) from the proceeds of selling their home.

+ Can still be made even if the total super balance is greater than $2 million.
+ Can only be made for the sale of one home.
+ Are not tax deductible and will be taken into account for determining eligibility for the age pension.
+ Are not non-concessional contributions and will not count towards your contributions cap.

You are eligible for downsizer contributions if you satisfy all the following:

+ Must be 55 years old or older at the time you make a downsizer contribution and not previously made a downsizer contribution.
+ Home was owned by you or your spouse for 10 years or more prior to the sale.
+ Proceeds from the sale of the home are either exempt/ partially exempt from CGT under the main residence exemption.
+ Must make your downsizer contribution within 90 days of receiving the proceeds of sale.
+ Provide your super fund with the relevant ATO form.

First home super saver scheme (FHSS scheme)
Members can make voluntary concessional and non-concessional contributions into their super to save for their first home in Australia.

+ To be eligible, member must be at least 18 years old and never owned property in Australia.
+ The maximum a member can contribute each year under the FHSS scheme is $15,000.
+ The maximum a member can save in total under the FHSS scheme is $50,000
+ Release of your concessional contributions along with associated earnings under the FHSS will be taxed at your marginal tax rate less a 30% tax offset. Non-concessional contributions are not subject to tax on withdrawal.

From the date the first FHSS amount is released, you have 12 months to do one of the following:

+ Sign a contract to purchase or construct your residential premises (including vacant land).
+ Recontribute the assessable FHSS amount (less tax) into your super fund.

Spouse Contribution Tax Offset — If a member makes a contribution to their spouse's Fund, and the spouse is under 75 and is earning less than $40,000 in a financial year, the member can claim an 18% tax offset on super contributions up to $3,000 (maximum of $540 tax offset), in their personal returns.

+ The member cannot claim a tax deduction for these contributions
+ The contributions are classified as non-concessional contributions for the spouse.
+ The amount a member can contribute on behalf of their spouse is subject to the non-concessional contributions caps.
+ The spouses' total superannuation balance must not exceed the transfer balance cap ($2 million at 30 June 2025).
+ If the spouses income is more than $37,000 for 2025/2026, the offset gradually reduces for every dollar you earn over that amount, until it phases out at an income of $40,000.

Contribution splitting — A member can choose to have some of their contributions transferred to their spouse's superannuation account, if the spouse is under age 65 and not retired.

+ A member can split up to 85% of their concessional contributions from the previous financial year.

Note: This transfer is effectively a rollover between members and not a way to avoid excess contributions tax.

Government Co-contribution — If the member:

+ Made a personal (non deductible) super contribution.
+ Total income less than $62,488 and more than 10% of their income comes from employment and/or carrying on a business. Total income includes assessable income (gross income), reportable fringe benefits and reportable superannuation contributions.
+ Is less than 71 years old at 30 June 2026.
+ Their total superannuation balance is less than $1.9 million at 30th June 2025.
+ Has not held a temporary resident visa at anytime during the year.
+ Lodges a tax return.

They will be able to receive the super co-contribution from the government.

+ This amount will not be taxed in the fund.
+ $0.50 for every $1 you contribute, up to maximum of $500 a year.
+ If your total income is more than $47,488 for 2025-26 your co-contributions entitlement reduces by 3.33 cents for every dollar you earn over that amount, until phases out at $62,488.

Low income super tax offset (LISTO) — The low income super tax offset is a tax offset to ensure that low income earners do not pay more tax on their super contributions that on their take-home pay. The offset is calculated at 15% of your concessional contributions and is capped at $500.

You are eligible for the LISTO if you satisfy **all** the following:

+ Your adjustable taxable income is $37,000 or less a year.
+ You or your employer pays concessional contributions for the year.
+ You have not held a temporary resident visa at any time during the income year.
+ You lodge an income tax return and 10% or more of your total income comes from business and/or employment.

Disclaimer: This fact sheet is of a general nature only and is not intended to be relied upon as, nor to be a substitute for, specific professional advice. No responsibility for loss occasioned to any person acting or refraining from action as a result of this information can be accepted.
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