

Fact Sheet

Contribution rules after 1 July 2017

Non-concessional contributions

There are three main changes in relation to the non-concessional contributions cap:

- The annual non-concessional cap is reduced to \$100,000.
- Only members with a total superannuation balance at 30 June of the previous financial year of less than \$1.6 million are able to make non-concessional contributions.
- The bring-forward cap is reduced to \$300,000 with modifications applying where the 30 June balance of a member is between \$1.3 million and \$1.6 million.

Annual non-concessional contributions cap

Only members with a total superannuation balance below the general transfer balance cap of \$1.6 million at 30 June the previous financial year, are eligible to make a non-concessional contribution.

The annual non-concessional cap for the 2017/2018 financial year is \$100,000.

After 30 June 2017, members with a total superannuation balance of at least \$1.6 million on the last day of the prior financial year will no longer be able to make a non-concessional contribution to superannuation.

Bring forward non-concessional contributions cap

Individuals may be able to access the bring forward period for their non-concessional contributions cap equal to two or three times the annual cap, depending on their total superannuation balance.

Super Balance	Maximum non-concessional contribution using bring forward cap	Balance after bring forward amount
\$1.3 mill	\$300,000	\$1,600,000
\$1.395 mill	\$300,000	\$1,695,000
\$1.4 mill	\$200,000	\$1,600,000
\$1.495 mill	\$200,000	\$1,695,000
\$1.5 mill	\$100,000	\$1,600,000
\$1.595 mill	\$100,000	\$1,695,000

Where the three-year bring forward provision is triggered during the 2016/2017 financial year and the \$540,000 cap is not utilised in full during the that year, an adjustment is made to the bring forward amount. In this case the bring forward amount is the total value of 3 times the annual contribution cap for the relevant year.

Example

During the 2016/2017 financial year, John contributes a total \$250,000 in non-concessional contributions. His bring forward cap for the 1 July 2017 – 30 June 2019 period would be adjusted to \$130,000.

Year	Annual non-concessional cap
2016/2017	\$180,000
2017/2018	\$100,000
2018/2019	\$100,000
Total 3-year bring forward cap	\$380,000
Contributions made	(\$250,000)
NCC available 1 July 2017 – 30 June 2019	\$130,000

Concessional cap of \$25,000

From 1 July 2017, the annual concessional contributions cap will reduce to \$25,000 (from \$30,000 for those aged under 49 at the end of the previous financial year and \$35,000 for those over 50). Any increases in the general concessional contributions will be in line with Average Weekly Ordinary Time Earnings (AWOTE) in \$2,500 increments.

The excess above the cap can remain in the superannuation environment, where tax is payable on the excess at ordinary personal rates (plus Medicare Levy) less a tax offset of 15% and will be counted against the member's non-concessional contribution (and subject to the non-concessional cap). Alternatively, it can be withdrawn from super and taxed at the member's marginal tax rate (plus Medicare Levy) less a tax offset of 15%.

Deducting personal contributions

From 1 July 2017, the requirement that an individual must earn less than 10% of their income from their employment related activities to be able to deduct a personal contribution to superannuation, will no longer apply. This means all members are able to make personal tax deductible contributions, subject to the standard contribution acceptance rules.

“Catch up” concessional contributions

Members are able to carry forward up to five years of unused concessional contributions, provided their total superannuation balance at 30 June of the prior financial year is less than \$500,000. This commences on 1 July 2018, a year later than most of the other superannuation changes.

More information

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