

SUPER FACTSHEET



Contribution limits

There are limits on the amount you can contribute to super and upon which you are eligible to receive concessional tax treatment. These limits are indexed each year at 1 July. The limits for the period 1 July 2011 to 30 June 2012 are shown below.

Concessional contributions

There is a limit on how much you can contribute to your super each year tax-efficiently. For concessional contributions which include employer contributions, deductible contributions (if you are self-employed) and any contributions made to super from your pre-tax salary (i.e. by salary sacrifice), the limit is currently \$25,000 per year. Any contributions above \$25,000 will be taxed at the top marginal personal tax rate of 45% plus the Medicare levy of 1.5%.

If you reach age 50 during the period between 1 July 2007 and 30 June 2012, a higher transitional limit of \$50,000 per year applies from the year in which you turn 50.

If you exceed your contribution limit, the ATO will forward to you a tax assessment and release authority. It is up to you whether you pay the excess tax directly to the ATO or arrange for Accountants Super to pay the tax on your behalf by deducting it from your super account via a release authority provided by you. Time limits apply to the payment of the tax.

From 1 July 2011, individuals who breach the concessional contributions cap by up to \$10,000 can request that these excess contributions be refunded to them. The refund will then be assessed as income and taxed at your marginal tax rate, therefore avoiding the penalty tax. This new refund option will only apply for first time breaches of the concessional caps.

Non-concessional contributions

Any non-concessional contributions made by you to your super will be subject to a cap of \$150,000 per year. Non-concessional contributions are any amounts you contribute from your after-tax salary.

They also include:

- Amounts you transfer from overseas funds (except to the extent an election applies for them to be taxed in Accountants Super)
- Excess concessional contributions.

If you are under age 65 on the first day of the financial year and you want to make larger one-off payments, you have the option to bring forward two years of contributions. See the example below for details.

Thereafter, you may be unable to make further payments. Alternatively, you may only be able to make reduced payments for the next two years. The maximum you can contribute over a three year period is \$450,000.

If you are over age 65, the maximum lump sum you can make per year is \$150,000.

If you exceed these limits, the excess will be taxed at the top marginal personal tax rate of 45% plus the 1.5% Medicare levy.

The same ATO assessment process applies to non-concessional contributions as concessional contributions. However, the excess non-concessional contributions tax must be paid by Accountants Super on your behalf from your account.

Did you know?
The ATO determines whether any excess tax applies to you.

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This information is of a general nature only and does not take into account your personal objectives, situation or needs. Before making a decision about Accountants Super, you should consider your own requirements and the relevant Product Disclosure Statement (PDS). For a copy call us or visit the Accountants Super website, www.accountants-super.com. Professional Associations Superannuation Limited (ABN 14 056 917 303 AFSL 222590 RSE L0000352) is the Trustee of Professional Associations Superannuation Fund (PASF) (ABN 78 984 178 687 RSE R1000429). Accountants Super is a division of PASF.

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Non-concessional contribution limit* examples (assuming eligibility criteria is met)				
Contributions in:	2010-11	2011-12	2012-13	2013-14
Example 1	\$450,000	-	-	\$150,000
Example 2	\$450,000	-	-	\$450,000
Example 3	\$200,000	\$100,000	\$150,000	\$150,000
Example 4	\$200,000	\$200,000	\$50,000	\$450,000
Example 5	\$300,000	\$150,000	-	\$150,000

* The bring-forward is automatically triggered when your non-concessional contributions exceed \$150,000 in a particular year. Once this happens, the normal non-concessional contributions cap does not apply to the next two years. Instead, your total contributions over the next two years cannot exceed \$450,000 minus the contributions you made in the year the bring-forward was triggered. The 'bring forward' option is only available for those under the age of 65 on the first day of the relevant financial year.

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