Tax and super

The information in this document forms part of the following Product Disclosure Statements dated 3 September 2022:

- AustralianSuper
- Public Sector Division
- GHD Superannuation Plan
- Personal Plan
- AustralianSuper Select
- Super Options

A Target Market Determination (TMD) is a document that outlines the target market a product has been designed for. Find the TMDs at **australiansuper.com/tmd**

Superannuation can be a tax-effective way of boosting your savings for retirement. This document provides information on how tax is generally applied to super. The information provided applies to the 2022/23 financial year.

How is super taxed?

Super is generally taxed in three ways:

- when you make a before-tax contribution
- on investment earnings, and
- when you withdraw super.

Tax when you contribute to super

The amount of tax applied to super contributions depends on the type of contribution (before-tax or after-tax), the total value of the contributions made within the financial year and your income.

Before-tax contributions are generally taxed at 15% up to the limit, you'll find more about the limits on page 2.

Tax if you earn over $250,000

If you're a high-income earner with an adjusted taxable income (including your before-tax contributions) of more than $250,000 a year, the tax on your before-tax contributions is 30% rather than 15%.

If your income is less than $250,000 a year, but by including your before-tax contributions the total is more than $250,000, the 30% tax rate will apply to the part of your before-tax contributions that are over $250,000.

For example, if your income is $230,000 and your before-tax contributions are $25,000, you only pay the 30% tax rate on $5,000.

Tax deductions: are you eligible?

You might be eligible to claim a tax deduction on after-tax contributions to super if you are:

- under 67, or
- aged between 67 and 74 and meet the work test or qualify for the work test exemption.

To access the tax deduction, you'll need to lodge a notice of intention to claim the deduction with AustralianSuper before you lodge your income tax return.

You can choose how much of your contribution to deduct.

If you think you're eligible to claim a tax deduction for your super contributions visit **australiansuper.com/forms**

If you'd like more information, see our *Claiming a tax deduction for personal contributions* fact sheet. If you want to claim a tax deduction for your contributions, you'll need to complete the form that is provided as part of this fact sheet.

If you need more information you could also visit the Australian Taxation Office (ATO) website at **ato.gov.au/super**

What are the contribution limits and what tax do you pay?

The government limits the amounts you can contribute to super. If you go over the limits, you may pay extra tax.

Type of contribution	Tax rate	Details
Before-tax (concessional), earning less than $250,000 a year These are mainly employer contributions, salary sacrifice contributions and personal contributions claimed as a tax deduction	15%	A $27,500 limit applies to contributions made from your before tax income. Your before-tax contributions are taxed at 15% if you earn less than $250,000 a year. Any amounts over the $27,500 limit will be taxed at your marginal tax rate,* less a non-refundable tax offset of 15% (because you have already paid tax on this money). You can choose to withdraw up to 85% of excess contributions, which won't count towards your after-tax limit. Any excess before-tax contributions not released count towards your after-tax contributions cap.
Before-tax (concessional), earning more than $250,000 a year These are mainly employer contributions, salary sacrifice contributions and personal contributions claimed as a tax deduction	30%	A $27,500 limit applies to contributions made from your before tax income. If your adjusted taxable income (including your before-tax contributions) is more than $250,000 per year, your before-tax contributions will be taxed at 30%, to that extent. Any amounts over the $27,500 limit will be taxed at your marginal tax rate,* less a non-refundable tax offset of 15% (because you have already paid tax on this money). You can choose to withdraw up to 85% of excess contributions, which won't count towards your after-tax limit. Any excess before-tax contributions not released count towards your after-tax contributions cap.
After-tax (non-concessional) These are typically extra, voluntary contributions you make from after-tax money, including spouse contributions. You must give us your Tax File Number before we can accept after-tax contributions	No tax payable	If your total super balance is less than $1.7m, you can generally make after-tax contributions. A $110,000† annual limit applies to contributions made from after-tax sources (or $330,000 over three years if certain conditions are met. The three-year period automatically starts from the first year that you add more than $110,000† after-tax to your super). No tax is payable on amounts up to this limit. Any amounts over this limit will be taxed at 47%,‡ unless you ask your fund to release the amounts over the limit. The associated earnings withdrawn are taxed at your marginal tax rate.* You will also be entitled to a 15% non-refundable tax offset of the associated earnings included in your assessable income. If you choose not to withdraw your excess after-tax contributions, they will remain in your super account and the excess will be taxed at 47%.‡
Government co-contribution	No tax payable	To be eligible for a government co-contribution, you need to add to your super after-tax and earn less than $57,016.§ The co-contribution itself is not taxable either when it goes into your super, or when you withdraw your super. Further eligibility criteria apply. For more information see the *Add to your super with government co-contributions* fact sheet at **australiansuper.com/FactSheets**

Catch up on concessional contributions

From 1 July 2019 you can carry forward any unused portion of the concessional contributions cap up to five previous financial years, if your total superannuation balance is less than $500,000 on 30 June of the previous financial year (this includes your AustralianSuper account and other super accounts held in your name). Unused concessional contribution cap amounts starting from the 2018/2019 financial year may be carried forward in this manner. For example, if your concessional contributions in the 2021/22 financial year totalled $15,000, you can carry an additional $12,500 over to the 2022/23 financial year which means you can contribute up to $40,000# under the concessional contribution cap in the 2022/23 financial year.

Non-concessional contributions bring-forward period^

Total superannuation balance on 30 June of the previous year	Non-concessional contributions cap for the first year	Bring-forward period
Less than $1.48 million	$330,000	3 years
$1.48 million to less than $1.59 million	$220,000	2 years
$1.59 million to less than $1.7 million	$110,000	No bring forward period, general non-concessional contributions cap applies
$1.7 million or more	Nil	n/a

Source: **ato.gov.au**

* Plus Medicare levy.
† Between 1 July 2021 and 30 June 2030, you can re-contribute amounts withdrawn under a COVID-19 early release. These amounts won't count towards your non-concessional contributions cap, but you can only re-contribute up to the amount withdrawn and you cannot claim a tax deduction for re-contributed amounts.
‡ Includes Medicare levy.
§ You should consider your debt levels before adding to your super.
# This is the combined total of the concessional contributions amount for the 2022/23 financial year of $27,500, plus $12,500 which is the total available unused carry-forward cap amount from the previous financial year.
^ You must be under age 75 during the financial year you first contribute more than $110,000.

Additional tax and super considerations

There are other circumstances that can affect how much you can contribute and the amount of tax you pay on your super, including spouse contributions offsets and downsizer contribution measures. For eligibility criteria visit **ato.gov.au/super**

TAX

Tax on investment earnings and withdrawals

Tax is payable on your investment earnings in super and if you're under age 60 and you withdraw your super, having met a superannuation condition of release.

What	Tax rate	Details
Investment earnings	Up to 15%	This tax is deducted from investment earnings before the crediting rate is determined. No tax is deducted from the crediting rates of Choice Income members unless members are using a transition to retirement strategy in which case up to 15% tax applies.
Income streams (pensions) and lump sum withdrawals from AustralianSuper if you're 60 and over	No tax payable	Both cash lump sum withdrawals and any retirement income payments you receive will generally be tax-free.
Lump sum withdrawals from AustralianSuper (if you're under 60)	**Tax-free component** • No tax payable **Taxable component*** • Under your preservation age: 22%[†] tax • Between your preservation age and age 59: the first $230,000[‡] is tax-free. The balance is taxed at 17%[†]	Cash lump sum withdrawals (where you're eligible to receive your super benefit) are divided into a tax-free and a taxable component. These components are calculated from the type of contributions that have been made to your account. To find out how much of your super is tax-free and how much is taxable you can get a benefit quote from your online account at **australiansuper.com** or call us on **1300 300 273**.
Income streams (pensions) from AustralianSuper (if you're under 60)	**Tax-free component** • No tax payable **Taxable component*** • Under your preservation age: marginal tax rate[§#] • Between your preservation age and age 59: marginal tax rate[#] plus Medicare Levy less a 15% tax offset	Income stream withdrawals (where you're eligible to receive your super benefit) are divided into a tax-free and a taxable component. These components are calculated from the type of contributions that have been made to your account. To find out how much of your super is tax-free and how much is taxable you can get a benefit quote from your online account at **australiansuper.com** or call us on **1300 300 273**.

Low income super tax offset

If you're eligible and earn $37,000 or less, the government will refund 15% of your total before-tax contributions made by you or your employer, up to a maximum of $500 pa. The amount will automatically be calculated by the ATO and deposited into your super account each year after you lodge your tax return.

First Home Super Saver Scheme

Different tax rules apply to the First Home Super Saver Scheme, visit **ato.gov.au/super** for more information.

Death benefits

Different tax rules apply to death benefits, refer to *Applying for a payment after a member dies* fact sheet at **australiansuper.com/FactSheets** for more information.

* If your taxable component includes an untaxed element, additional tax may be applied to that element.
† Includes Medicare levy.
‡ This amount is reduced by any amount previously applied to this threshold.
§ A tax offset of 15% may be available if you are receiving a disability super benefit.
# Plus Medicare Levy.

Remember to tell us your Tax File Number

To get the benefit of super tax savings you must give us your Tax File Number (TFN). If you don't give us your TFN, you'll pay 47% tax on your before-tax contributions (this includes the Medicare Levy) and we can't accept after-tax contributions from you. Log into your account at **australiansuper.com/login**

Contact us

Call **1300 300 273**
(8am to 8pm AEST/AEDT weekdays)

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Email or message us For details on how to message or email us, visit **australiansuper.com/contact-us**