

Superannuation Contributions

Coming up to 30 June 2010, it is time to consider if a superannuation contribution which is eligible for the government co contribution is a good idea.

Taxpayers

Make a non concessional contribution* and receive the government super co contribution subject to rules below:

From 1 July 2009, you will be eligible for the co-contribution if:

- you make a personal super contribution by 30 June each year into a complying super fund or retirement savings account
- your total income is less than \$61,920 (this is indexed annually to reflect changes in average wages)
- 10% or more of your total income is from eligible employment, running a business or a combination of both
- you are less than 71 years old at the end of the year of income
- you do not hold an eligible temporary resident visa at any time during the year
- you lodge your income tax return by its due date.

For the 2010 year the government super co contribution will be \$1.00 for every \$1 you contribute up to a maximum of \$1,000 ie you need to make a contribution of \$1,000 to receive the full \$1,000.

The co contribution reduces as the income increases. If your income is \$31,920 or less you will receive the full \$1.00 per \$1. As income rises to \$61,920, the amount shades out to zero. Therefore, at \$46,920, \$0.50 per \$1 will be received.

NB in prior years the maximum was \$1.50 per \$1 up to \$1,500.

*Non concessional contribution - NO claim for a tax deduction is made

If you wish to discuss the tax consequences of contributing to superannuation please call or email our office.

As to how to make your contribution to your superannuation fund, contact them and they will advise. Also for information with respect to how the investment will perform in the future you will need to discuss with a financial advisor.

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