

Super Contributions - Deductible

SUPER RETIREMENT SOLUTIONS

Specialists in Self Managed Superannuation
A division of McConachie Stedman

Concessional contributions from 1 July 2007 are subject to restrictions. We discuss the key points about concessional contributions in this fact sheet.

What is a concessional contribution ('CC')

A concessional contribution is generally any contribution made to a superannuation fund that is included in the assessable income of the fund, and includes:

- all contributions made by an employer for a member although any 'CGT retirement exemption' amount is treated as a non-concessional personal contribution
- personal contributions made by a member for which they claim a tax deduction

Tax treatment of concessional contributions

- non-excessive CC are taxed at 15% if a TFN is quoted
- where no TFN is quoted, CC are taxed at 46.5% unless the member was a member prior to 1 July 2007 and CC for a financial year do not exceed \$1,000
- excessive CC are taxed at 15% plus an additional penalty tax of 31.5%. This penalty tax can be paid from the super fund or by the member themselves, at their election

Caps on concessional contributions

Age	Contribution cap for financial year
Age less than 50	\$25,000 * (2009/2010)
Age 50 or more in a financial year before 2011/2012	\$50,000

*indexed, refer below

Indexation of the concessional contribution cap

- the 2009/2010 financial year cap will be indexed every subsequent financial year
- indexation will be based on indexing the base 2009/2010 financial year cap of \$25,000 by the cumulative AWOTE factor
- the concessional cap for a financial year will be the indexed base year amount rounded down to the nearest multiple of \$5,000
- the transitional cap of \$50,000 does not get indexed

Deductibility of contributions

- employers are generally eligible for a full deduction for contributions made for an employee, until that employee attains age 75
- eligible persons will receive a full tax deduction on personal contributions made until they attain age 75
- eligible person: a person that derives less than 10% of their total assessable income, salary sacrifice contributions and reportable fringe benefits from activities for which they would be recognised as an employee for the purposes of superannuation guarantee (regardless of whether SG is actually payable)
 - a person under 18 must derive some income from operating a business or eligible employment
 - an eligible person includes an unemployed person

To find out more information, please contact our Super Retirement Solutions staff.

Accounting & Taxation

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