

Super Contributions - Personal

SUPER RETIREMENT SOLUTIONS

Specialists in Self Managed Superannuation
A division of McConachie Stedman

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

What is a non-concessional contribution ('NCC')

A non-concessional contribution is generally any contribution made to a superannuation fund that is not counted in the assessable income of the fund, and includes:

- personal contributions for which no income tax deduction has been claimed
- spouse contributions
- contributions for a child
- non-taxable amount of an overseas transfer contributed to super

Tax treatment of non-concessional contributions

- non-excessive NCC are tax free
- excessive NCC are taxed at highest marginal tax rate plus Medicare levy. This penalty tax must be paid from the super fund

Caps on non-concessional contributions

Age	Contribution cap for financial year
Less than 65 during financial year	<ul style="list-style-type: none"> • annual limit—six times concessional contribution cap* • three year limit—three times the annual limit
65 or more for full financial year	<ul style="list-style-type: none"> • annual limit—six times concessional contribution cap*

* For 2009/2010 the concessional contribution cap is \$25,000.

- Important: the three year limit does not apply until the annual limit is breached. Therefore it is possible to contribute more than the three year limit in a three year period.

Examples[^] of acceptable scenarios under the caps

Financial Year	Scenario 1	Scenario 2	Scenario 3	Scenario 4	Scenario 5
2007/2008	\$150,000	\$150,000	\$200,000	\$450,000	\$150,000
2008/2009	\$150,000	\$450,000	\$200,000	\$0	\$150,000
2009/2010	\$150,000	\$0	\$50,000	\$0	\$450,000
2010/2011	\$150,000	\$0	\$200,000	\$450,000	\$0
2011/2012	\$150,000	\$450,000	\$200,000	\$0	\$0

[^] If person is aged 65 or more for full financial year, they are limited to the annual limit

[^] Assumes the annual and three year limit remains constant for entire 5 year period

Inclusions for the non-concessional contribution cap ('NCC cap')

- personal contributions for which no income tax deduction has been claimed
- spouse contributions
- contributions for a child
- non-taxable amount of an overseas transfer contributed to super
- excessive concessional contributions

Exemptions from the NCC cap

- government co-contributions
- eligible proceeds from a structured settlement or personal injury order
- roll-over of a superannuation benefit

Contributions from disposals of qualifying small business assets

To be eligible contributions from the disposal of qualifying small business assets have a separate cap (CGT cap):

- the small business 15 year CGT exemption must apply, or be a pre CGT asset (i.e maximum lifetime limit of \$1 million); or
- the asset disposed of within the 15 year period due to the permanent incapacity (i.e maximum lifetime limit of \$1 million); or
- the small business CGT retirement exemption applies (i.e maximum lifetime limit of \$500,000)

For contributions under the CGT Cap:

The following timing and documentation requirements must also be met:

- the proceeds must be contributed no later than either of the day the person is required to lodge their tax return or 30 days after the proceeds are received, and
- an approved form must be lodged with the super fund before, or at the time, the contribution is made

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

Accounting & Taxation

Self Managed Superannuation

Auditing

Financial Planning

Finance Broking

Insurance Broking

Disclaimer*: Super Retirement Solutions operate as an authorised representative of Henderson Matusch Pty Ltd ABN 32 107 343 091 Australian Financial Services License No. 274484. The information contained in this brochure is of a general nature only. No account has been taken of the investment objectives, financial situation or particular needs of any particular person. Before making any investment decision, individuals will need to consider their own particular needs, objectives and circumstances to avoid the risk of making an inappropriate investment decision.

Liability limited by a scheme approved under Professional Standards Legislation.

Last updated June 2010

SUPER RETIREMENT SOLUTIONS

Specialists in Self Managed Superannuation
A division of McConachie Stedman