



Downsizer contribution measure

What is the downsizer contribution measure?

The downsizer contribution measure allows eligible home owners over the age of 65 to contribute up to \$300,000 into their super from the proceeds of selling their main home. The downsizer contribution won't be counted towards any contribution caps. You can only make downsizing contributions from the sale of one home, and there is no requirement for you to purchase another home.

Who is eligible?

To be eligible to make a downsizer contribution, you must meet all the following conditions:

- + You're at least 65 years of age at the time of making the contribution.
- + The amount you contribute must be from proceeds from selling your home under a contract of sale that was exchanged on or after 1 July 2018.
- + Prior to the sale, your home was owned by you or your spouse for 10 years or more.
- + Your home is in Australia and is not a caravan, houseboat or other mobile home.
- + The proceeds are either exempt or partially exempt from the capital gains tax (CGT) under the main residence exemption, or would be entitled to such an exemption if the home was a CGT instead of a pre-CGT asset.
- + You lodge a Downsizer contribution into super form with your super fund either before or at the time of making your downsizer contribution.
- + You make your downsizer contribution within 90 days of receiving the proceeds of the sale.
- + You have not previously made a downsizer contribution to your super from the sale of another home.

What to consider

- + Making a downsizer contribution allows you to top up your super to take advantage of the generous tax rates that apply to super. For example:
- + You can make a downsizer contribution up to a maximum of \$300,000 per person. This is higher than the contribution cap for after-tax contributions to your super, which is \$100,000 per year (or \$300,000 over three years if you are eligible for the 'bring forward' cap).
- + Your spouse can also make a downsizer contribution from the same proceeds, even if they don't (part) own the home, as long as they meet all the other requirements.

It's also important to remember that:

- + The downsizer contribution isn't a non-concessional contribution. This means you can still make a downsizer contribution even if your total super balance exceeds \$1.6 million. However, your downsizer contribution will be included as part of your total super balance when it is re-calculated to include all your contributions on 30 June at the end of the financial year.
- + The downsizer contribution will count towards your transfer balance cap of \$1.6 million. This cap restricts how much of your super you can move into a retirement phase account (such as a pension).
- + You can't make downsizer contributions greater than the total amount of proceeds you received from the sale of your home.
- + You can't claim a tax deduction for this type of contribution, as the proceeds are from the sale of your home rather than your pre-tax earnings.

How do I make a downsizer contribution?

To make a downsizer contribution, you'll need to let us know using the 'Downsizer contribution into super' form from the Australian Tax Office (ATO) website at ato.gov.au. You need to send this form to us before or when you make your contribution, otherwise we'll treat any monies received as a personal contribution that will count towards your caps.

Financial advice can help

If you're not sure if a downsizer contribution is right for you, a financial adviser may be able to assist. Financial advisers recommend what they think is best for you and your future. As a Mine Super member, you're entitled to a complimentary appointment with Mine Super Financial Advice. Advisers from Mine Super Financial Advice can review your financial position and help you achieve your financial goals. To make an appointment with Mine Super Financial Advice, call 13 64 63.

More information

If you want more information about the downsizer contribution measure, you can call us on 13 64 63, and we'll be happy to help. Our Contact Centre team can provide general information about the measure and put you in touch with Mine Super Financial Advice. You can also find more information about on ato.gov.au or call the ATO super info line on 13 10 20.

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