



How much can I add to my super account?

The information in the document forms part of the Product Disclosure Statement (PDS) for the Mine Superannuation Fund.

The government encourages us to put money into super by taxing super at a lower rate than other investments. That's why it's a great way to save for your retirement.

What's the catch?

Tax concessions on super investments are the Australian government's second largest tax concession after the capital gains tax exemption on people's homes.

That's a lot of tax revenue the government misses out on. To ensure people don't abuse this tax break, the government limits how much any individual can put into super in any one year and still receive tax concessions.

These limits are called contribution caps.

i Check how much tax you can save with super in our **What is super?** factsheet at mine.com.au/super-factsheets

What's my contribution cap?

How much you can put into your super account each year depends on whether you're making before-tax or after-tax contributions.

Before-tax contributions

Contribution cap: \$25,000. This amount will be indexed in line with average weekly ordinary time earnings (AWOTE), rounded down to the nearest \$2,500.

If you have less than \$500,000 in super and haven't used all your annual before-tax contribution cap over the previous five years, you can make catch up contributions using unused cap amounts. As this initiative started in the 2018-19 financial year, two years of catchup contributions can be used in the 2020-21 financial year, with the full five years of catchup contributions available in the 2023-24 financial year.

Before-tax contributions, also referred to as 'concessional contributions', is money you put into your super before any tax is taken out. They include compulsory 9.5% employer contributions and any salary sacrifice contributions your employer makes for you*. After-tax super contributions you claim as a tax deduction will also count towards your before-tax contributions cap.

Before-tax contributions are taxed at 15% if you earn less than \$250,000 pa and 30% if you earn more than \$250,000 pa.

i Remember to consider any bonuses and pay rises, as these may result in your employer making higher than expected before-tax contributions into your super account.

After-tax contributions

Contribution cap: \$100,000 per year or \$300,000 over three years under the bring forward arrangements if you're under 65. The three year period starts when you contribute more than \$100,000 in a financial year.

If you have more than \$1.6 million in super across all your accounts, including pensions, you can't make after-tax contributions. If you have between \$1.4 and \$1.6 million your \$300,000 three year cap will be lower. You can find more information at the Australian Tax Office's website at ato.gov.au

An after-tax contribution is money you put into your super from your take home pay after your tax is taken out or from other savings. After-tax contributions are also referred to as 'non concessional contributions' and aren't taxed within the fund.

i Remember to consider any contributions your spouse may have paid into your account or contributions in excess of your before-tax cap for the financial year. These will be included in your after-tax contribution amount.

* If you have a defined benefit account your before-tax contribution amount is worked out using a government formula, and is referred to as 'notional taxed contributions'. We'll report your notional taxed contributions in your member statement.

Other limits on making contributions

If you're aged 67 to 74, you must work at least 40 hours in any 30 consecutive day period during the current financial year to make after-tax contributions to your super. This is called the 'work test'.

There's an exemption for the work test if you have less than \$300,000 in super. This means you can also make these contributions for up to 12 months after the financial year when you last met the work test, provided that we receive your contributions before 28 days after the end of the month in which you turned 75. You also must not have used this exemption in a previous financial year.

Also, you can't make after-tax contributions if your super fund doesn't have your Tax File Number or the contribution itself exceeds the cap.

Any excess before-tax contributions that you don't withdraw from your super fund will also count towards your after-tax contribution cap.

If you have more than \$1.6 million in super across all your accounts, including pensions, you can't make after-tax contributions.

How do I pay any additional tax?

If you choose to keep your excess contribution amounts in your super account, after you lodge your tax return the ATO will notify you of the excess contribution amount.

You can choose whether to pay additional tax on excess before tax contributions from your super or other assets.

Additional tax on excess after-tax contributions must be paid from your super.

To pay tax from your super account, you'll need to send us a voluntary release authority form. The ATO will send this form to you along with your assessment.

What if I put in more than the cap?

Before-tax contributions

If you go over the before-tax contribution cap, you can either:

- + withdraw up to 85% of the excess contributions and have the excess amount included in your assessable income and taxed at your marginal tax rate, along with an interest charge. You'll receive a 15% tax offset for the contributions tax already paid by your super fund.
- + keep the excess contribution in your super fund and have the excess amount included in your assessable income and taxed at your marginal tax rate, along with an interest charge. You'll receive a 15% tax offset for the contributions tax already paid by your super fund. To help pay the extra tax, you can withdraw up to 85% of your excess before-tax contributions from your super fund. The money kept in super will be added to your after-tax contribution cap.

After-tax contributions

If you go over the after-tax contribution cap you can either:

- + withdraw the excess amount and earnings and include the earnings as part of your income, or
- + pay the top marginal tax rate tax on the excess amount.

Does Mine Super monitor my contributions?

No, we can't monitor your contributions because the caps apply to all contributions you make during the financial year, including those made to any other super funds you may have.

This means it's important to keep your own records of your total contributions to ensure you don't exceed the caps.

Keeping track of your contributions

Check how much you've contributed to your Mine Super account throughout the year by logging in to your account at mine.com.au

Need more information or advice?

If you have any questions or need help call us on 13 64 63, Monday to Friday, 8am to 6pm or email help@mine.com.au

Mine Super | t 13 64 63 | f 02 4962 3469 | e help@mine.com.au | mine.com.au

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