



Superannuation concessional contributions

If you're looking to boost your superannuation nest egg, your employer might allow you to salary sacrifice additional voluntary concessional contributions.

You can salary package additional voluntary pre-tax superannuation concessional contributions, which will only be generally taxed at 15% in your complying superannuation fund, whereas your gross salary foregone would have been otherwise taxed at your marginal tax rate.

We note that where the total of your 'adjusted taxable income' and concessional contributions exceeds \$250,000 a further 15% tax may be payable on the lower of the excess over the \$250,000 threshold and the amount of concessional contributions. However, even in these circumstances there is at least a minimum 17% tax saving by you foregoing gross salary to make additional voluntary contributions.

In addition, any income generated by the investment of such concessional contributions will be subject to a maximum tax rate of 15% in the superannuation fund, whereas any investment income which you may have received on invested net salary income would be taxed at your marginal tax rate. This tax saving will also compound over time as the tax savings are periodically reinvested by the fund.

Accordingly, there may be an incentive for an employee to maximise concessional superannuation contributions which are currently capped at \$25,000 for the year ending 30 June 2021.

A salary sacrifice arrangement for additional concessional superannuation contributions also does not constitute a fringe benefit and is therefore not subject to FBT.

Program Conditions:

The current cap on concessional contributions is \$25,000 for all employees, for the year ended 30 June 2021.

This includes the aggregate of any mandatory superannuation contributions that your employer is required to make for Superannuation Guarantee Charge (SGC) purposes, and any additional personal contributions you make after tax or by salary sacrifice.

Where this cap is exceeded by your salary sacrificed contributions, the excess will automatically be included in your assessable income for the year, together with an excess contributions charge. Please refer to www.ato.gov.au for up to date information, and seek independent tax and financial advice prior to considering this product.

Please check your employer's salary packaging policy to confirm your eligibility for this offering.

How does it work?



1. Enquire online

A salary packaging expert will contact you to confirm your eligibility and provide you with an application form.



2. Review & accept your quote

We'll assess your application and any supporting documentation and send you a quote for your approval.



3. Enjoy the savings

Your employer will commence your salary deductions and your superannuation benefit will start. We'll take care of the payments, while you take advantage of the savings and convenience.

Important note: Prior to entering a salary packaging arrangement, you should seek independent qualified financial advice as the complexities of salary packaging can have a significant impact on your financial situation. This product has strict eligibility criteria and conditions that must be met in order to maintain your tax benefit. It's important that you adhere to these requirements to avoid having to pay extra tax. Administration fees will apply based on your employer's contract with us.