Info sheet

July 2021

TAX DEDUCTION FOR PERSONAL CONTRIBUTIONS

If you pay into your super from after-tax money you can claim a tax deduction.

You can pay into your LGIAsuper account

Adding to your LGIAsuper account through one-off payments or contributing small amounts regularly will grow your super savings faster and give you more money to live off in retirement.

You can start growing your super savings today by making after tax (known as personal contributions) or before-tax contributions (through a salary sacrifice arrangement with your employer) up to certain limits set by the Australian Government known as contribution caps.

If you make a personal contribution to your super, you could claim a tax deduction and reduce the amount of tax you pay each year.

What is a personal contribution?

Personal contributions are those made to your super from after-tax money. These contributions are also referred to as non-concessional super contributions and count towards the non-concessional contributions cap, which is $110,000 p.a. for the 2021/22 financial year.

If you are under age 67 you can bring forward the next 2 years' limit, meaning you could make a lump-sum contribution of up to $330,000 at once, subject to an upper threshold.

Upper threshold

Access to the full concessional contributions cap is restricted for balances of 1.48 million or more. Once your total superannuation balance reaches $1.7 million you are unable to make further non-concessional contributions. Read our *Contribution caps info sheet* for more information.

Who can make personal contributions?

You can make personal contributions if you are:

- age 66 or younger
- between age 67 and 74 and work at least 40 hours over a consecutive 30-day period in the financial year you want to make a contribution
- if you are between 67 and 74 and your total super balance is below $300,000 you can contribute voluntary contributions (once only) from the end of the financial year in which you last met the work test. The federal government has proposed to remove the work test for people aged 67 - 74 years old from 1 July 2022.

Once you reach age 75 you are unable to make personal contributions to your super.

As personal contributions are made from after-tax money, they do not include:

- any employer contributions
- super contributions made through a salary-sacrifice arrangement.

How much can I claim as a tax deduction?

While personal (non-concessional) contributions are paid from after-tax money, when claimed as a tax deduction they will count towards the concessional contributions cap which is $27,500 for the current financial year.

What are concessional contributions?

Concessional contributions include employer contributions and salary-sacrificed contributions and personal contributions you claim a tax deduction for.

This means that if the total amount of employer contributions and salary sacrificed contributions is less than the current concessional cap of $27,500 p.a., you can claim a tax deduction for your personal contributions up to the concessional contributions cap.

Will my super contributions be taxed?

Personal contributions are made using after-tax money, so they are not taxed when paid into super and are tax free on withdrawal unless you claim a tax deduction for them.

If a tax deduction is claimed for personal contributions, a 15% contributions tax applies to the full amount of any contribution you claim a tax deduction for up to the concessional contributions cap. Contributions above the concessional cap will be taxed at your marginal tax rate, plus an excess contributions charge. If you withdraw the benefit before age 60 there may be additional tax payable.

If a tax deduction is claimed for personal contributions, a 15% tax applies to your concessional contributions. Income is defined in a similar way to that for Medicare levy surcharge purposes. If your total income is below the $250,000 threshold but your concessional contributions take you over the threshold, the additional 15% tax will only apply to the contributions above the threshold.

Our *Superannuation tax info sheet* tells you more. For a copy visit our website or contact us.

How do I make a personal contribution?

You can make one-off payments or contribute small amounts regularly in one or all of the following ways.

Payroll deduction	**Talk to your payroll area and ask them to pay an amount from your after-tax money each pay period.**
BPAY	**Pay as often as you like through BPAY. Log in to your LGIAsuper account securely through Member online for the biller code and reference number, then start making payments as often as you like.**

How do I claim the tax deduction?

To claim a tax deduction for personal contributions made to your super account, simply follow the steps below.

Step 1
Make an after-tax contribution.

Step 2
Download 'Notice of Intent' form.

Step 3
Complete form (before any withdrawal or account closure).

Step 4
Send the form to LGIAsuper by email, post or fax. Our details are at the very bottom of this info sheet.

Step 5
LGIAsuper will send you a confirmation.

Step 6
Use the information from our confirmation when completing your tax return.

You will only need to complete a *Notice of intent to claim or vary a deduction for personal super contributions* **once each financial year**. If the Australian Taxation Office denies your tax deduction after you have lodged your tax return, please contact us as soon as possible.

Do you need my TFN?

Yes, we can only accept your super contributions if we have your tax file number.

Is claiming the tax deduction right for me?

We recommend you see your accountant or financial adviser if you are unsure of the potential implications.

Any questions?

Our trusted and reliable team can work with you to grow your savings and plan a strong financial future. We're here to help. Call us on **1800 444 396** or visit our website at **lgiasuper.com.au**.

T 1800 444 396
E info@lgiasuper.com.au
GPO Box 264
Brisbane Qld 4001
W lgiasuper.com.au

LGIAsuper
Let's Grow