CONTRIBUTIONS

WHAT ARE THEY?

Various types of contributions can be made to Australian Food Super, including compulsory Superannuation Guarantee contributions, salary sacrifice contributions via your employer, personal after-tax contributions, Government Co-contributions, as well as contributions made on your behalf by your spouse or another family member.

However, there are certain limits (or caps) on the amount of contributions that can be made, as well as other rules associated with making contributions to super.

EMPLOYER CONTRIBUTIONS

Your employer is generally required to contribute a certain percentage of your “ordinary time earnings” into your super account. These are known as “superannuation guarantee” (SG) contributions.

Ordinary time earnings include your salary or wages and some types of leave (e.g. annual leave, sick leave), but wont include overtime, unless your hours of work aren’t specified in your award or employment agreement. The percentage your employer is required to contribute is scheduled to increase each year, as shown in the table below.

Period	SG rate*
2021-22	10%
2022-23	10.5%
2023-24	11%
2024-25	11.5%
2025-26	12%

*Different rates may apply for Norfolk Island residents. Refer to www.ato.gov.au for more information.

SG contributions are concessional (before-tax) contributions. They are generally taxed at 15%, and this tax is deducted by your super fund. A cap applies to the amount of concessional contributions that you can receive each year.

Salary sacrifice

In addition to compulsory employer contributions, you can ask them to make voluntary contributions on your behalf via salary sacrifice. Salary sacrifice is where you and your employer agree that part of your salary will be paid by your employer to your superannuation fund from your before-tax salary. This could mean that you pay less tax than if you receive your full salary as wages because your taxable income will be lower.

You should note that some employers do not allow salary sacrifice.

Please check with your employer if you are thinking about making contributions to Australian Food Super via salary sacrifice.

Salary sacrifice contributions are also concessional (before-tax) contributions. They are taxed at 15%, and count towards the concessional contributions cap.

Concessional contribution cap

Your concessional contributions are subject to an annual cap. The cap for 2025-26 is $30,000. This cap is indexed in increments of $2500 in line with Average Weekly Ordinary Time Earnings (AWOTE). For up to date information, visit www.ato.gov.au.

Future carry-forward of unused concessional contributions

Commencing with the 2019-20 financial year, if a person has not made concessional contributions up to their cap limit they may carry forward the unused amount for up to five years. This provision is subject to you having less than $500,000 in total superannuation across all funds.

For example, the concessional contributions cap for 2023-24 was $27,500. If your total super balance is under $500,000 and your concessional contributions for 2023-24 were $17,500, this effectively increases your cap for 2025-26 and later years (subject to the the five year limit) by $10,000.

What happens if the concessional contributions cap is exceeded?

If you contribute an amount greater than the cap you will pay additional tax on the excess amount. If you exceed the cap, the ATO will contact you about your situation.

Members with Income of $250,000 or more

If your income (including concessional super contributions) is over $250,000, then an additional 15% tax (30% in total) will apply to some or all of your contributions. This is known as "division 293 tax". If this applies to you, the ATO will contact you about your situation.

PERSONAL CONTRIBUTIONS

In addition to employer contributions (including salary sacrifice), your super fund can receive voluntary personal (after-tax) contributions. These are contributions made from your after-tax pay or savings.

These contributions are subject to the non concessional contributions cap, and if you have a high total super balance, additional restrictions will apply.

Spouse contributions

Your super fund can also accept after-tax contributions made by your spouse. These contributions also count towards your non-concessional contributions cap.

If your spouse makes a contribution to your super and your income (including reportable fringe benefits) is less than $40,000, they may be eligible for a tax offset. A maximum rebate of $540 is available where your income is $37,000 or less. The rebate is reduced where your income is over $37,000 and phases out at $40,000 per annum.

Non-concessional contributions cap

Personal contributions (including spouse contributions) into your super account will count towards the non-concessional cap, which is $120,000 for 2025-26. It is set at four times the concessional contributions cap, and so will change when that cap changes based on AWOTE. For up to date information, visit www.ato.gov.au

If you exceed the non-concessional cap, additional tax may be payable-the ATO will contact you about your situation.

If you are under age 75, you can choose to "bring forward" your non-concessional contributions cap for up to three years (allowing you to make personal after-tax contributions totaling 3 times the cap in a single year). It is important to note that if your total super balance is over $1.76 million from 1 July 2024, you will be subject to a reduced total limit and shorter bring forward period. If your total super balance is over $2 million from 2025-26, you are not eligible to make or receive any non-concessional contributions. Visit ato.gov.au for the most up-to-date information.

Claiming a tax deduction

If you make a personal contribution, you can choose to claim a tax deduction.* If you claim a tax deduction, your contribution will instead be treated as a before-tax, concessional contribution and will count towards the concessional contributions cap.

In order to claim a tax deduction for a personal contribution you will need to complete a Notice of intent to claim a deduction form (this is an ATO form, not an Australian Food Super form) and send it to us. You will need to receive an acknowledgement back from us that we have received and accepted the notice before you lodge your tax return for the relevant years.

A notice of intent is only valid if you are still a member of Australian Food Super and the contribution against which you are claiming a deduction are still held in the fund. If you have transferred the contributions to a pension (e.g. our Pension product) then they are considered to have left the fund and will not attract a tax deduction.

If you give a notice of intent after you have rolled over your entire super interest to another fund (closed your account) or withdrawn your entire super interest (paid it out of super as a lump sum), your notice will not be valid. This means you will not be able to claim a deduction for the personal contributions you made before the rollover or withdrawal.

If you have partially rolled over or withdrawn your super interest (which included the contribution you made), your notice will not be valid for the entire contribution. You can only validly deduct a proportion of your contribution that remains in the fund.

If you have made a non-concessional contribution to Australian Food Super we will write to you after 30 June each year and provide a copy of the Notice of intent to claim a deduction form.

*If you are under 18, you must have earned income as an employee or a business operator during the year the contribution was made to be eligible to claim a deduction. If you are over age 67, you must meet the work test to be able to claim a deduction (you must have worked at least 40 hours over 30 consecutive days during the year in which the contribution was made). Please note once you turn 75 you can only claim a deduction for contributions you made before the 28th day of the month following the month in which you turned 75.

How to make personal contributions

For most members, the contributions made by your employer are likely to provide only basic retirement benefits. Making personal contributions from your after-tax salary may help increase your retirement benefit and future financial security. These personal contributions will count towards your non-concessional contributions cap unless you claim a tax deduction for them. There are three easy ways you can make your own personal contributions from your after-tax salary to Australian Food Super and there is no fee for doing so.

Via payroll deduction – You can arrange with your employer to have an amount deducted from your pay and sent to Australian Food Super. Or you can complete a Payroll Deduction Authority (available to download at ausfoodsuper.com.au/forms-members/), which allows your employer to deduct personal contributions from your pay. The contributions will generally be sent to Australian Food Super along with your employer's contributions.

Automatic Bank Transfer – This enables you to have a specified amount regularly transferred from your bank account and paid directly into your Australian Food Super account. This method of payment does not involve your employer. Please complete the Automatic Bank Transfer Form available at ausfoodsuper.com.au/forms-members/ or contact the Member Hotline on 1800 808 614 for a copy.

By BPAY – You can make after-tax contributions to Australian Food Super using BPAY. To get your Biller Code and BPAY Reference Number, see your membership card, or log into your account online at ausfoodsuper.com.au. You can also call the Hotline on 1800 808 614 for help. Please note that the standard processing time for BPAY transactions through the banks is two working days. Therefore, in order to make a payment by 30 June, for example, you will need to make the payment on 28 June at the latest (or earlier if 30 June falls on or within two days of a weekend.

Government co-contributions

The Commonwealth Government Co-contribution Scheme offers an incentive for people to add to their super. If you earn less than $47,488 (2025-26 financial year) and you make personal contributions of up to $1,000 per year from your after-tax pay, the Government will contribute fifty cents extra for every dollar you put in (to a maximum co-contribution of $500).

If you earn more than $47,488 (2025-26 financial year), but less than $62,488 then you will still be eligible for the co-contribution, but at a reduced rate.

The Australian Taxation Office works out how much of the co-contribution you will receive when you lodge your tax return. If you are eligible the ATO will automatically pay the co-contribution to the superannuation fund to which you made the personal contributions.

Eligibility for the Co-contribution

You are eligible for the co-contribution for the financial year 2025-26 if:

- you make one or more personal contributions to your super
- Personal contributions are payments you make to your super from your after-tax income. These are in addition to any compulsory super contributions your employer makes on your behalf and do not include super contributions made through a salary sacrifice arrangement. Any after-tax contributions for which a tax deduction is claimed, are not eligible for the co-contribution
- your income for the financial year, including reportable fringe benefits and salary sacrifice to super, is less than a certain amount ($62,488 for the 2025-26 financial year)
- you earn 10% or more of your income through eligible employment and/or running a business
- you will be under 71 years of age at the end of the financial year.
- you did not hold a temporary visa at any point during the financial year (New Zealand citizens and prescribed visa types excepted)
- you will lodge an income tax return
- you have not contributed more than your non-concessional contributions cap
- you have a total superannuation balance less than the general transfer balance cap at the end of 30 June of the previous financial year. (On 1 July 2024 the general transfer balance cap was $1.9m)
- you have given us your correct tax file number (TFN).

Low Income Superannuation Tax Offset

A Low Income Superannuation Tax Offset (LISTO) of up to $500 is available for members with an income of less than $37,000 p.a. This essentially offsets the contributions tax paid on their Superannuation Guarantee contributions.

The benefit will be paid by way of a tax credit to a member's superannuation fund - the fund will then be responsible for passing the credit on to eligible members.

First Home Super Saver Scheme

The First Home Super Saver Scheme (FHSSS) allows you to make your own voluntary contributions to super to help save for your first home. It applies to both voluntary non concessional (personal after-tax contributions) and concessional contributions (salary sacrifice and personal contributions for which a tax deduction is claimed).

Under the scheme, which applies to contributions made since 1 July 2017, eligible members are permitted to withdraw up to $15,000 of contributions made during a single year, up to a total of $50,000 for all years, plus associated earnings. (Note if you requested a release before 1 July 2022, when the total limit across all years was $30,000, you cannot make any

EXAMPLE OF CLAIMING A TAX DEDUCTION ON NON-CONCESSIONAL CONTRIBUTIONS

Joe is aged 58 years and for the year ending 30 June 2025 earned $60,000; therefore his employer made Superannuation Guarantee contributions of $6,900 (11.5% of $60,000). These are concessional contributions and are counted towards his $30,000 concessional contributions cap for 2024-25.

During the 2024-25 year Joe also made $32,000 worth of personal (after-tax) contributions to superannuation. These are classified as non-concessional contributions and counted towards his $120,000 non-concessional contributions cap for that year.

Joe decides that he wishes to claim a tax deduction for the personal contributions. This would result in the $32,000 being treated as concessional contributions and therefore will be counted towards that cap, along with the $6,900 from his employer. However, that would take his concessional contribution total to $38,900 which is greater than the concessional contribution cap of $30,000 for 2024-25.

As a result Joe is only able to effectively claim a tax deduction for $23,100 worth of personal contributions which will then take his concessional contributions up to the limit of $30,000 (the $23,100 against which he has claimed a tax deduction and the 6,900 paid by his employer).

He would not be able to claim a tax deduction against the remaining $8,900 of his personal contributions.

further requests to take you up to the current $50,000 limit.) Associated earnings are calculated using a deemed rate of return (which may be more or less than the actual return on your investments).

Tax is payable on withdrawals of concessional contributions under the scheme - at your marginal rate less a 30% offset, or at 17% if the ATO is unable to estimate your marginal rate. No tax applies to withdrawals of non-concessional contributions.

To be eligible, you generally must be a first home buyer and occupy the premises you buy as soon as practicable. You can only use the scheme once. Requests to withdraw money under the FHSSS are made to and assessed by the ATO. Visit ato.gov.au for more information.

The "Downsizer" measure

If you are 55* years old or older and meet the eligibility requirements, you may be able to choose to make a downsizer contribution into your superannuation of up to $300,000 from the proceeds of selling your home.

Your downsizer contribution will not count towards your contributions caps. The downsize contribution can still be made even if you have a total super balance greater than $2 million.

Your downsizer contribution will not affect your total super balance until your total super balance is re-calculated to include all your contributions, including your downsizer contributions, on 30 June at the end of the financial year.

The downsizer contribution will count towards your transfer balance cap, currently set at $2 million at 1 July 2025. This cap applies when you move your super savings into retirement phase.

You can only make downsizing contributions for the sale of one home. You can't access it again for the sale of a second home.

Downsizer contributions are not tax deductible and will be taken into account for determining eligibility for the age pension.

If you sell your home, are eligible and choose to make a downsizer contribution, there is no requirement for you to purchase another home.

Eligibility for the downsizer measure

You will be eligible to make a downsizer contribution to super if you can answer yes to all of the following:

- you are 55* years old or older at the time you make a downsizer contribution (there is no maximum age limit)
- the amount you are contributing is from the proceeds of selling your home
- your home was owned by you or your spouse for 10 years or more prior to the sale – the ownership period is generally calculated from the date of settlement of purchase to the date of settlement of sale

*From 1 January 2023. The age limit prior to this date was age 60.

- your home is in Australia and is not a caravan, houseboat or other mobile home
- the proceeds (capital gain or loss) from the sale of the home are either exempt or partially exempt from capital gains tax (CGT) under the main residence exemption, or would be entitled to such an exemption if the home was a CGT rather than a pre-CGT (acquired before 20 September 1985) asset
- you have provided your super fund with the Downsizer contribution into super form either before or at the time of making your downsizer contribution
- you make your downsizer contribution within 90 days of receiving the proceeds of sale, which is usually at the date of settlement
- you have not previously made a downsizer contribution to your super from the sale of another home.

Exceptions to the contributions caps

In the following circumstances contributions may be able to be accepted by a superannuation fund without counting towards your contributions cap. Conditions and/or eligibility criteria may apply. Visit ato.gov.au for the most up-to-date information:

- Re-contribution of COVID-19 early release superannuation amounts
- Contributions relating to certain proceeds from the sale of a business up to the lifetime cap - visit ato.gov.au.
- If you receive a financial settlement because of injuries that have resulted in permanent disablement, and you put that money into super, it does not count towards any cap, as long as you put it into your super within 90 days.
- Federal Government co-contributions do not count towards any cap.
- Contributions under the "Downsizer" measure
- Transfers from another Australian superannuation fund (called "rollovers") do not count towards any cap.
- Transfers from an overseas fund fall under the personal contributions cap (see Page 3), except for any portion that you have elected to be treated as taxable contributions by Australian Food Super.
- Spouse contributions count towards the receiving spouse's personal contributions cap.

Restrictions on contributions from age 75

Up to your 75th birthday you or your employer can make contributions to your Australian Food Super account at any time, subject to the contribution caps outlined in the previous section.

After reaching age 75, generally the only contributions permitted are compulsory contributions made by your employer, and downsizer contributions.

If you require a printed copy of this Fact Sheet please contact the **Member Hotline** on **1800 808 614.**

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