How super works

Effective 1 July 2025

The information in this guide forms part of the Product Disclosure Statement (PDS) of Catholic Super dated 1 July 2025.

This guide is an overview of how super works. It includes information on contributions, withdrawals and transfers, and the various taxes that apply.

Contributions

The contributions you and your employer make are the building blocks of your super. Understanding the types of contributions that you can make will help you maximise the tax benefits and your retirement savings.

Some of the rules around contributions will depend on your total super balance.

Your total super balance

The total superannuation balance shows the value of all your super interests on a given date. Your total superannuation balance will be relevant when working out your eligibility for the following items, all described in more detail later in this document:

- the carry-forward of unused concessional contributions cap;
- the non-concessional contributions cap and the two or three year bring-forward period;
- the government co-contribution;
- the tax offset for spouse contributions.

Your total superannuation balance will generally be calculated at the end of 30 June for the previous financial year. You can find more information on the ATO website, **ato.gov.au**, and view your total superannuation balance online at myGov, **my.gov.au**

Types of contributions

Before-tax contributions: these are contributions made before tax has been applied. These types of contributions are also known as concessional contributions.

After-tax contributions: these are contributions made from your income after income tax has already been applied. These types of contributions are also known as non-concessional contributions.

Before-tax (concessional) contributions

Before-tax contributions are usually employer or salary sacrifice contributions made from your income before tax has been applied. Before-tax contributions are generally taxed at 15% when Catholic Super receives them, which may be lower than your marginal income tax rate.

Employer contributions

In most circumstances your employer is required to make contributions to your super, known as Superannuation Guarantee (SG) contributions, at a minimum rate of 12% of your ordinary time earnings. Your employer may also make employer contributions that are mandated under an award or other workplace agreement.

For higher income earners, employers are generally not required to make SG contributions for income over a particular amount, known as the maximum super contribution base. The maximum super contribution base changes each year and is $62,500 per quarter for the 2025/2026 financial year.

Salary sacrifice contributions

If your employer allows it, you can choose to make salary sacrifice contributions out of your before-tax pay. This means that part of your taxable income decreases by the amount you contribute to super, which may result in you paying a lower rate of income tax.

Personal contributions (where you claim a tax deduction)

If you made an after-tax contribution to your super but notify us that you intend to claim a tax deduction for it, then we will deduct 15% tax on the amount you are claiming as a deduction. Any amount you are claiming as a tax deduction will also count towards the limits on concessional contributions, and towards the threshold for Division 293 tax, both described below.

However, if you are aged 67 to 74, you will need to meet the work test if you wish to claim a tax deduction for your personal superannuation contribution. To satisfy the work test, you must have worked at least 40 hours within a period of 30 consecutive days during the financial year in which the contribution is paid.

Limits on before-tax (concessional) contributions

There is an annual limit, known as the concessional contributions cap, on before-tax contributions per financial year. The limit is $30,000 for the 2025/2026 financial year. Before-tax contributions made above this limit may attract additional tax, discussed later in this guide.

Carry-forward of unused concessional contributions cap

If your total super balance is less than $500,000 you can carry forward the unused portion of your concessional contributions cap on a rolling basis over five years. This means that you may be able to receive before-tax contributions of more than the concessional contributions cap in certain years without incurring additional tax. You can find more information on the carry-forward of the unused concessional contributions cap at the ATO website, **ato.gov.au/super**

Tax on before-tax (concessional) contributions

Before-tax contributions are generally taxed at 15% when Catholic Super receives them, which may be lower than your marginal income tax rates.

If we don’t have your Tax File Number (TFN)

If we don’t have your TFN, then your before-tax contributions are taxed at the highest marginal income tax rate, rather than 15%.

Excess concessional contributions

Before-tax contributions we receive for you above the concessional contributions cap are known as excess concessional contributions. Your excess concessional contributions will form part of your personal assessable income and will be taxed at your marginal income tax rate.

If you have excess concessional contributions for a financial year, the ATO will write to you with your options. Generally, you can choose to:

- withdraw up to 85% of the excess concessional contributions to help pay the tax; or
- pay the tax out of your own money outside super.

You can find more information on excess concessional contributions at **ato.gov.au/super**

Low income super tax offset

The low income super tax offset (LISTO) is a government initiative to help low income earners increase their savings for retirement by refunding the tax on concessional contributions made by you or your employer.

If you are eligible and your adjusted taxable income is $37,000 or below, the government will calculate a refund of the tax paid on concessional contributions you or your employer have made, up to a maximum refund of $500. The government will credit this refund to your account and you’ll be able to see it on your next annual member statement or by logging into our website, **csf.com.au**

Division 293 tax for high income earners

If your income, including the concessional contributions made by you or your employer, is more than $250,000, then an additional tax, known as Division 293 tax, will apply to you. Division 293 tax is generally an extra 15% on your concessional contributions. The ATO calculates Division 293 tax based on your income tax return and the information we provide to them and they will write to you if you owe additional tax. You can usually choose to pay the extra tax yourself or have it paid from your super account. You can find more information on Division 293 tax at **ato.gov.au/super**

After-tax (non-concessional) contributions

After-tax contributions are contributions made after tax by you or your spouse and can include some self-employed contributions. Because tax has already applied outside super, non-concessional contributions are not taxed again when paid into your super.

If you’re 75 or over, we can’t accept any after-tax contributions for you. We also can’t accept after-tax contributions for you if we don’t have your TFN recorded.

Personal contributions (where you don't claim a tax deduction)

Personal contributions are any contributions made out of your after-tax income or savings.

Most people under the age of 75 will be able to make personal contributions to super.

You can make personal contributions by BPAY or use the *Make a personal contribution* form available on our website.

Note that if you intend to claim a tax deduction for a personal contribution, you need to advise us of the amount by sending us a *Deduction for personal super contributions* form within the required timeframe, available from the ATO website, **ato.gov.au**, or by calling **13 10 20**.

We need to respond in writing acknowledging your intention. The contributions that you claim as a deduction are treated as concessional contributions and will count towards your concessional contributions cap, discussed earlier in this document.

Spouse contributions

A spouse contribution is an after-tax contribution made by your spouse into your account. If you earn less than $40,000 a year (including reportable fringe benefits and your reportable employer super contributions), your contributing spouse may be eligible to claim an income tax offset of 18% on the first $3,000 of any contributions they made for you. The maximum tax offset is $540.

Note that spouse contributions made for you count towards your non-concessional contribution limit, not your spouse's (see the *Limits to the non-concessional contributions* section).

If you intend to make a contribution to your spouse's super account, you should consider the information on spouse contributions available on the ATO website, **ato.gov.au/super** and use the *Make a spouse contribution* form available on our website.

Downsizer contributions

If you're 55 or over, you may be eligible to make a one-off after-tax contribution of up to $300,000 to your super within 90 days of receiving the proceeds of selling your main residence.

Eligible members need to return the *Downsizer contribution into super* form to us with their contribution. You can find more information and download the form at **ato.gov.au/super** or on our website.

Any downsizer contributions you make won't count towards your non-concessional contribution limit, but will count towards your total super balance.

COVID-19 early release super re-contribution

If you received a COVID-19 early release of super amount, you will be able to re-contribute up to the amount you received, without the contributions counting towards your non-concessional cap.

The contributions can be made between 1 July 2021 and 30 June 2030. You can find more information on the ATO website at **ato.gov.au/super**

Limits on after-tax (non-concessional) contributions

If your total super balance is below $2.0 million at the end of the prior financial year, a limit of $120,000 applies to the amount of non-concessional contributions made to your account. If your total super balance is $2.0 million or more, your non-concessional contribution cap is nil. Before-tax contributions made above your limit may attract additional tax, discussed later in this guide. Note that the values shown are for the 2025/2026 financial year and are subject to change.

Bring forward of your non-concessional contributions cap

If you are under age 75, you may be able to bring forward up to three years' worth of contribution limits and make contributions of up to $360,000 in one year; this will reduce the amount of contributions you can make for the remainder of the three year period.

The amount of unused non-concessional contribution cap you can bring forward depends on your total superannuation balance on 30 June of the prior financial year.

Total superannuation balance	Contribution and bring forward available
Less than $1.76 million	Access to $360,000 cap (over three years)
$1.76 million to less than $1.88 million	Access to $240,000 cap (over two years)
$1.88 million to less than $2 million	Access to $120,000 cap (one year)
$2 million or greater	Nil

Tax on after-tax (non-concessional) contributions

Because tax has already applied outside super, non-concessional contributions are not taxed again when paid into your super, but additional tax will apply if you exceed your non-concessional contributions cap.

Excess non-concessional contributions

After-tax contributions we receive for you above your non-concessional contributions cap are known as excess non-concessional contributions. The ATO will write to you if you have made excess non-concessional contributions and explain your options. Generally, there are two ways for dealing with excess non-concessional contributions:

- you may be able to withdraw the excess non-concessional contributions and up to 85% of the associated earnings, but they will be included in your assessable income and taxed at your marginal income tax rate, or
- you may leave the excess non-concessional contributions in your super account where they will be charged at the highest marginal income tax rate.

You can find more information on excess non-concessional contributions at **ato.gov.au/super**

When can we receive contributions?

All kinds of contributions can be made to your Catholic Super account, including employer, salary sacrifice, after-tax and spouse contributions. Below is a summary of the types of contributions you can make.

Contribution type	Under age 75	Age 75 or over
SG or Award employer contribution	Yes	Yes
Additional employer contribution (non-SG or Award)	Yes	No
Personal after-tax contribution	Yes	No
Personal tax deductible contribution	Yes	No
Spouse contribution	Yes	No

The Government co-contribution

If you are eligible, the government will make a co-contribution of up to 50 cents for every after-tax dollar you contribute to your super. The maximum co-contribution is $500 if your total income is $47,488 or less. The amount of the co-contribution reduces for every dollar you earn over $47,488 and cuts out completely at $62,488. Note that the values shown are for the 2025/2026 financial year and are subject to change.

If you are eligible, your co-contribution amount will be automatically calculated and deposited into your super account by the ATO after you've lodged your tax return. The co-contribution is treated as a non-concessional contribution, however, it does not count towards your non-concessional contributions limit. You can find out whether you are eligible on the ATO website, **ato.gov.au/super**, or by calling 13 10 20.

Tax on earnings and capital gains

Earnings (investment returns) in super are taxed at a maximum rate of 15%. Any capital gains earned by Catholic Super also receive concessional tax treatment. Any taxes on investment returns or capital gains are deducted before earnings are applied to your account.

Transfers and withdrawals

The First Home Super Saver Scheme

The First Home Super Saver Scheme allows you to withdraw up to $50,000 of your personal or salary sacrifice contributions and deemed earnings from your super to help purchase your first home. The scheme is administered by the ATO and you can find more information at **ato.gov.au/super**

Any taxes on investment returns or capital gains are deducted before earnings are applied.

Family Law and your super

Couples who divorce or separate can divide their super entitlements, including super and retirement income accounts, as part of their property settlements. These Family Law rules apply to legally married couples, couples registered under State or Territory law, and genuinely separated couples (including de facto couples).

We recommend you seek advice from a licensed financial planner before finalising an agreement involving your superannuation benefit, as there may be tax, social security and other financial implications arising from splitting your superannuation entitlements.

To request information on splitting superannuation assets, please contact our Service Centre on **1300 655 002**.

Transferring your other super into Catholic Super

Consolidating your super (also known as a rollover) means you only pay one set of fees and you may be able to more easily manage and monitor your super. If you have money invested in other super funds and would like to roll that money into Catholic Super, the easiest way to do this is to log into your account at **csf.com.au** to instantly locate and transfer your other super electronically.

You can also complete the *Roll your super into Catholic Super* form available from our website or contact the Service Centre on **1300 655 002**.

We charge no fees for rolling your superannuation into Catholic Super. You should, however, be aware that you may lose any insurance cover you have with your other super funds for withdrawing your superannuation to move it into Catholic Super. Before transferring, you may want to obtain financial advice.

Transferring from Catholic Super to another super fund

You can request to transfer all or part of your benefit to another fund at any time. If you want to keep your Catholic Super account open, you must leave a minimum balance of $6,000.

When we may automatically transfer your account out of Catholic Super

If mail sent to your last known address is returned at least twice, or if we have never had an address for you, we must notify the ATO that you are a lost member. The ATO will add your name to the Lost Members Register, where you can obtain information about any super accounts in funds that have lost contact with you.

If your benefit becomes 'unclaimed money' (as defined in superannuation legislation), your benefit may be transferred to the ATO, where it is held on your behalf until you claim it.

In general, your benefit becomes unclaimed money if:

- you are a temporary resident and have not claimed your benefit within six months of leaving Australia; or
- you have reached age 65 and not instructed us about your benefit, we have not received any amounts into the fund for you for at least two years, and we have not been able to contact you for five years; or
- you have died and your account has been inactive for at least two years and we are unable to ensure that your benefit is received by the persons entitled to receive it; or
- you meet the definition of being a lost member and either:
  - the balance of your account is less than $6,000; or
  - your account has been inactive for at least 12 months and we do not believe it will ever be possible to pay the benefit to you.

We will also be required to transfer your super to the ATO if you have an 'inactive low-balance account' and do not make any election to revoke this status. An account will be considered an inactive low-balance account if:

- the fund has not received an amount in respect of that account for at least 16 months;
- it is less than $6,000;
- there is no insurance on the account; and
- during that 16 months:
  - you have not changed your investment option(s);
  - you have not made changes to your insurance cover;
  - you have not made or amended a binding death benefit nomination; and
  - you have not given us a written notice declaring that your account is not an inactive low-balance account.

Temporary residents permanently departing Australia

If you entered Australia on any temporary visa which has expired or been cancelled, you are eligible to access your super benefit, and can apply for a Departing Australia Superannuation Payment (DASP) from the ATO website, **ato.gov.au/super**

If you aren't an Australian permanent resident or a New Zealand citizen and don't lodge a DASP request within six months of leaving Australia, we are required to transfer your benefit to the ATO. We will not provide an exit statement to you when your benefit is transferred to the ATO (we rely on regulatory relief from the Australian Securities and Investments Commission (ASIC) for this purpose). We will, however, provide information about your benefit if you enquire about it in the future. You can then apply to the ATO for your benefit, less DASP tax of up to 65%.

When you can withdraw your benefits

The government has placed restrictions on when you can withdraw your superannuation benefits. Your superannuation benefits may be divided into three amounts:

- preserved
- restricted non-preserved
- unrestricted non-preserved

Preserved amounts

Preserved amounts always belong to you, but may not be withdrawn unless you satisfy one or more of the following criteria (conditions of release):

- you have ceased employment on or after age 60;
- you have reached age 65;
- you have retired permanently from the workforce and have reached age 60;
- you die or become totally and permanently incapacitated (as defined in the legislation);
- you have a preserved benefit of less than $200;
- you are an eligible temporary resident departing permanently from Australia;
- you have a terminal medical condition (as defined in the legislation);
- you can demonstrate financial hardship or the ATO approves a release of your benefit on compassionate grounds; or
- you want to use the First Home Super Saver (FHSS) scheme.

Different rules apply for the release of your super if you are a temporary resident. You can find more information on Departing Australia Superannuation Payments (DASP) in this guide and on the ATO website, **ato.gov.au/super**

Under the transition to retirement rules, you may be able to access your preserved benefits via a pension once you have reached age 60, even if you are still working.

Restricted non-preserved amounts

Restricted non-preserved amounts may only be withdrawn if you terminate employment or meet one of the conditions of release described above.

Unrestricted non-preserved amounts

Unrestricted non-preserved amounts may be paid to you in cash at any time.

What happens if you change employer

When you change employment, your account balance will continue to be invested in your existing investment options. There may be a change to your death, total and permanent disablement, and income protection insurance cover if you change your employer. You should refer to the *Insurance* section of the PDS, and our *Insurance in your super* guide, available from our website, **csf.com.au**, or by calling the Service Centre on **1300 655 002**.

You can ask your new employer to pay your contributions to Catholic Super by giving them a completed *Choice of Fund* form which you can find on our website, **csf.com.au**

What happens if you retire

You can access your superannuation once you have turned 60 years old and have permanently or partially retired. You may choose to keep your super account with Catholic Super, or withdraw your benefit as a lump sum or use it to start a retirement income or annuity.

You can find more information on Catholic Super's retirement products at **csf.com.au/retirement**

Early access to your super

You may be able to access some of your benefits before you retire if:

- you have received Commonwealth income support payments for at least 26 consecutive weeks and are unable to meet immediate family living expenses (the financial hardship application form is available from **csf.com.au**);
- the ATO approves the payment on specified grounds (e.g. compassionate grounds); or
- you wish to use the First Home Super Saver (FHSS) scheme.

If you are terminally ill

You may be able to withdraw your super if two doctors (with at least one of the doctors being a specialist in the area of your illness) certify that you are suffering from an illness or injury that is likely to result in your death within 24 months. You can also apply to receive any death insurance cover you have in Catholic Super.

Please contact our Service Centre on **1300 655 002** if you are suffering from a terminal illness. You can find more information on any insurance cover you have with Catholic Super in our *Insurance in your super* guide.

If you are disabled

You may receive your super benefit if you become and are assessed by Catholic Super as being totally and permanently disabled (TPD) or permanently incapacitated. You may also be eligible to claim any disability insurance cover you have with Catholic Super. You can find more information on any insurance you have with Catholic Super in our *Insurance in your super* guide.

If you are temporarily disabled and have income protection cover in Catholic Super, you may claim income benefits, but the preservation rules will continue to apply to your super benefit.

Please contact our Service Centre on **1300 655 002** if you are suffering from a disability.

If you die

If you die, we will pay your super to your dependants or your legal personal representative (i.e. your estate).

A dependant includes:

- your spouse (including a person who is legally married to you, a person with whom you have a relationship registered under State or Territory law or a person with whom you live on a genuine domestic basis in a relationship as a couple); or
- your children (of any age including natural, adopted, step or ex-nuptial children and children of your spouse); or
- a person whether related to you or not, who in the opinion of Catholic Super, is or was at any relevant time wholly or partially financially dependent on you; or
- a person in an interdependency relationship with you.

An interdependency relationship is:

- a close personal relationship where two people live together, and one or each of you provide the other with financial support, and domestic support or personal care; or
- a close personal relationship exists but the other requirements for interdependency are not satisfied because of a disability or because the two persons are temporarily living apart.

Legal personal representative

Your legal personal representative is the person or organisation that:

- you appoint as the executor of your estate; or
- is appointed as an administrator of your estate if you do not have a valid will.

Minor children

Where a minor child is entitled to a death benefit payment, we may direct that money be paid into a trust set up on the child's behalf.

Binding death benefit nominations

As a Catholic Super member, you can direct us to pay your death benefit to one or more of your dependants and/or legal personal representative by completing a valid *Making a death benefit nomination* form available from our website, **csf.com.au**, or by calling the Service Centre on **1300 655 002**.

A binding death benefit nomination will only be valid if you complete the form correctly and your nominated parties either meet the definition of a dependant under superannuation law or are a properly appointed legal personal representative.

Binding nominations will only be valid for three years so we'll ask you to confirm your nomination at least once every three years. You can, of course, change your nomination at any time by correctly completing a valid form.

Non-binding death benefit nominations

If you don't make a reversionary or binding death benefit nomination or you don't complete the nomination form correctly, Catholic Super will make the decision about how to distribute your death benefit, but will take into account any non-binding beneficiary nomination you've made.

You can make a non-binding death benefit nomination by logging into our website, **csf.com.au** or by using the *Making a death benefit nomination* form.

What happens when we are notified of your death

When Catholic Super is notified that you have died, we will switch your current investments into the Cash investment option. We take this approach to ensure, as much as possible, that the benefit for your dependants or estate is not reduced by any short-term negative investment returns before we pay your benefit.

If you have death cover in Catholic Super, any proceeds from the insurer will also be invested in the Cash investment option when we receive them.

Tax on withdrawals from your super

Withdrawals from your super may have a tax-free component and a taxable component. While no tax will be deducted from your lump sum tax-free component, the tax that applies to your lump sum taxable component will depend on the following circumstances:

Payment type	Tax rate
Withdrawals before age 60	22% (including 2% Medicare levy)
Withdrawals on or after age 60	0%
Departing Australia Superannuation Payment (DASP)	• 65% for working holiday makers; • 35% for other former permanent visa holders
Terminal illness	0%
Death	• 0% if paid to a dependant for tax purposes; • 17% (including 2% Medicare levy) if paid to a non-dependant for tax purposes.

Dependants for tax purposes

The definition of dependants for tax purposes includes:

- your current or former spouse, including a de-facto;
- your children under the age of 18;
- any person, including your child over age 18, who is financially dependent on you at the time of your death;
- any person with whom you have an interdependency relationship.

Tax on total and permanent disablement benefits

The tax rates that apply will depend on your age and other factors. The payment summary you receive with your benefit will provide details of the tax-free and taxable components and any associated tax that has been deducted from your benefit.

Tax on transfers to other super funds

You do not pay any tax when you roll over or transfer your super benefit to another super fund.

Processing your withdrawal or transfer payment

The time taken to process a withdrawal or transfer (benefit payment) request can vary due to a number of factors, including the nature of your request (for example, whether your request relates to a partial payment or the whole of your account balance).

Under legislation, rollover or transfer of withdrawal benefits must be completed within three business days after all required information has been received. In some cases, Catholic Super may require additional information in order to process your benefit payment. For example, for partial benefit payments we require instructions relating to the amount to be paid and to whom. We are required to request any additional information within 10 working days of receiving your benefit payment request. Your benefit will be calculated using the unit price effective on the date the benefit payment is processed, not the date your request is lodged. You should consider this when submitting a request for payment.

Anti-money laundering and counter-terrorism financing legislation

The Government has enacted anti-money laundering and counter-terrorism financing legislation that requires stricter customer identification and verification procedures for the payment of superannuation benefits. You will be advised of those requirements when you request a benefit payment. If you do not provide the requested information, your benefit payment may be delayed or even refused.

Your Tax File Number (TFN)

Under the Superannuation Industry (Supervision) Act 1993, Catholic Super can collect your Tax File Number (TFN) to be used and disclosed for lawful purposes. Catholic Super may disclose your TFN to another super fund if and when your benefit is being transferred, unless you have asked us in writing not to disclose it.

You are not required to provide your TFN to Catholic Super, but not providing it may mean that:

- we are unable to accept certain contributions for you;
- additional tax may apply on contributions and withdrawals; and
- it may be more difficult to locate multiple super accounts in your name.

Your employer's obligation in relation to your TFN

Your employer has a legal obligation to provide your TFN to Catholic Super when you start employment or when they make the first contribution for you.

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Help when you need it

We're ready to help you over the phone, via email and, of course, in person – so it's your call. Or email. Or meeting.

1300 655 002

8:30am to 6:00pm EST/EDT (Monday to Friday)

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