making contributions

Employer contributions

Superannuation Guarantee

The Superannuation Guarantee (SG) legislation requires employers to make contributions to a complying super fund on behalf of each eligible employee. Generally, employers are required to contribute 9.5% of your Ordinary Time Earnings (OTE) as long as you are aged 18 or over and earn $450 (before tax) or more in a calendar month. This applies to full-time, part-time and casual employees, as well as temporary residents.

OTE is what you generally earn for your ordinary hours of work. It includes over-award payments, commissions, shift allowances, work-related bonuses and paid leave, but does not include overtime.

Your employer is not required to pay superannuation contributions in respect of any portion of your OTE above a threshold of $211,040* per year or $52,760* per quarter unless the terms of your employment state otherwise.

* These amounts apply for the 2017/18 financial year and are adjusted in line with the annual movement in Average Weekly Ordinary Time Earnings (AWOTE).

Most Australian employees are eligible to choose the super fund to which their employers' SG contributions are paid. To have your super contributions paid into the fund of your choice, you can request a Standard Choice Form from your employer or download a Choice of Fund Application at **csf.com.au/forms-publications**.

Redundancy and other termination payments made by your employer

You are no longer able to roll over any Employment Termination Payments (ETPs) made by your employer into your super fund account, although you can make additional contributions once you have received these payments as taxed income.

Contributions by the self-employed

If you are self-employed you can decide how much, when and how you want to make contributions to your super account, subject to the contribution caps outlined on page 5. Contributions can be made as a lump sum or as regular fixed contributions via direct debit.

Voluntary contributions

Superannuation is often the largest single asset people have when they retire. To make the most of your super, it is important to start planning as early as you can.

Whether retirement is just around the corner or many years away, there are some easy ways to build your super and make your investment work harder for you.

Your super contributions, whether before or after tax, are subject to preservation rules (see **Accessing your super** at **csf.com.au/super-pds**) so you should consider all of your financial needs before making additional contributions which are likely to be inaccessible until retirement.

Voluntary contributions are subject to contribution caps (see page 5).

Voluntary contributions can be one of the best ways to increase your super. With family bills and expenses, it can be difficult to find any extra money to save for something that may seem very far away, but even a small amount, such as an extra $10 a week, can make a big difference over time.

Salary sacrifice (before tax)

Salary sacrifice means that you make an arrangement with your employer to pay an agreed amount of your before tax salary into your super account.

These contributions are treated in the same way as employer contributions for taxation purposes. This means that salary sacrifice contributions, provided they are under the relevant cap, are subject to the government's 15% contributions tax, which may be considerably lower than personal income tax rates for many members.

Salary sacrifice contributions are not eligible for the government's co-contribution. Salary sacrifice contributions count towards the concessional contributions cap. If you have not provided Catholic Super with your tax file number (TFN) and contribute a large amount in this way, you may have to pay more tax.

You can use one of our website calculators to make sure your contributions are as efficient as possible. Go to **csf.com.au/calculator** to view our extensive range of online tools.

Before entering into a salary sacrifice arrangement, you should consider seeking professional advice.

Member contributions (after tax)

Member contributions from your after tax salary have already been taxed at your marginal tax rate so they are not taxed when Catholic Super receives them or when they are withdrawn at retirement, provided they are under the relevant cap.

Catholic Super does not charge any fees to make extra personal contributions, and there are several easy ways you can make payments:

1. Organise a payment through BPAY. There are no forms to fill out – simply transfer your contribution directly into your super account using telephone or internet banking. You can locate our biller code and your unique BPAY reference number in **MyLife Online**, or you can call us on **1300 655 002**.
2. Arrange with your bank or credit union to make a regular contribution via direct debit from your account. Download the **Member Direct Debit Request** form from our website at **csf.com.au/forms-publications** or call us for a copy.
3. Ask your employer to deduct a specific amount from your pay to go into your Catholic Super account. Your employer can send the amount to us regularly with their Superannuation Guarantee contributions.
4. Send your own contributions by cheque. Download the **Making a one off personal contribution to your Super** form from our website at **csf.com.au/forms-publications** or call us for a copy to ensure we have enough details to identify your account correctly.

Making after tax contributions could make you eligible for the Federal Government's co-contribution, which will make your super grow even faster.

NOTE: Member contributions can only be accepted if you have supplied Catholic Super with your TFN.

Spouse contributions

Catholic Super can accept contributions on behalf of a spouse, even if they are not employed.

'Spouse' means a legal or de facto husband and wife and, since 1 July 2009, it includes same sex couples. A de facto relationship means that a person lives with you on a genuine domestic basis. It does not include a person who lives separately and apart from you on a permanent basis, even though you may be legally married.

The maximum tax offset available to the person who makes a spouse contribution is 18% of $3,000 worth of spouse contributions ($540). The full tax offset is available if a spouse's assessable income, reportable fringe benefits, and reportable employer contributions are $37,000 per year or less. This tax offset reduces by $1 for every assessable dollar over $37,000 and stops when the spouse's income reaches $40,000.

Once a spouse contribution is received, the contributing spouse no longer has any right to the funds and Catholic Super cannot refund it to them.

The contributing spouse can be any age but must be an Australian resident. The receiving spouse must be an Australian resident and under 65 when the payment is received or under age 70 if he/she is gainfully employed for at least 40 hours in a period of not more than 30 consecutive days during the financial year in which the contribution is made.

Spouse contributions are subject to preservation rules (go to **csf.com.au/super-pds** and read **Accessing your super** for more information).

Spouse members wishing to join Catholic Super, who do not receive employer SG contributions, should join our personal plan. To make payments on a spouse's behalf, the contributing spouse must complete a Spouse Contribution Advice form with each payment. This form can be accessed from our website at **csf.com.au/forms-publications** or by calling Catholic Super on **1300 655 002**.

Super co-contribution

The Government's super co-contribution can put an extra $500 into your super account. It's a Federal Government initiative designed to help people with lower incomes save for retirement.

To be eligible for a super co-contribution in a financial year, you must:

- make personal after tax contributions to a complying super fund such as Catholic Super
- have a total assessable income, including salary sacrificed amounts, of less than $51,813* per year
- earn at least 10% of your total income from running a business, or from an employer, or from a combination of both
- be a permanent Australian resident
- be less than 71 years of age at the end of the financial year
- lodge a tax return for the financial year
- have a total superannuation balance less than the transfer balance cap ($1.6 million for the 2017/18 financial year) on 30 June of the previous financial year, and
- not have contributed more than your non-concessional contributions cap.

How does it work?

The super co-contribution is calculated on a sliding scale, depending on your total assessable income and how much you contribute to your super. Your assessable income includes your salary or wage, net business income and other income such as interest, dividends, and reportable fringe benefits. It may not be the same as your taxable income.

Contributions to your super account by your spouse do not count towards the co-contribution.

If your income is $36,813* or less per year, the full co-contribution up to $500 applies (i.e. $0.50 for every $1 of your own contributions).

The co-contribution decreases as your income increases, cutting out at incomes of $51,813* and over.

* These amounts apply for the 2017/18 financial year and will remain at these levels until 30 June 2018.

How much will you receive?

For the 2017/18 financial year you will receive $0.50 for every dollar of your own personal contribution. The maximum amount of $500 per financial year reduces by 3.33 cents for each dollar of income you earn over $36,813 up to an income of $51,813 where it phases out completely.

The following table shows the amount of super co-contribution that applies to different income levels.

Annual income	Personal contribution required	Super co-contribution
$36,813 or less	$1,000	$500
$42,813	$600	$300
$48,813	$200	$100
$51,813	$0	$0

It may be in your best interest to refer to a financial adviser before making a decision on super co-contribution.

Example: James earns $35,000, contributes $1,000 to his super, and meets all other criteria. James will receive a co-contribution of $500. He can contribute more than $1,000 but the maximum co-contribution he can receive is $500.

You can use our simple co-contribution calculator on our website to find out how much you are likely to receive. Go to **csf.com.au/calculator**.

When is the co-contribution payment made?

You don't have to apply for the super co-contribution. The Australian Tax Office (ATO) will use information from your personal tax return and contribution information from Catholic Super to work out whether you are eligible. The ATO will automatically calculate the amount of your co-contribution and your entitlement will usually be paid into the super account where you make your after-tax contributions unless you advise the ATO to pay it into a different fund.

When can Catholic Super accept contributions?

Catholic Super can only accept contributions for you if certain criteria are met. These are outlined in the table below.

Member contributions

Contribution type	65 - 69	70 - 74	75 and over
After tax (voluntary)	**Yes** – If the work test rule has been satisfied.		**No** – Member contributions cannot be accepted.
Spouse	**Yes** – If the work test rule has been satisfied by the receiving spouse.	**No** – Spouse contributions cannot be accepted once the receiving spouse turns age 70.	

Employer contributions

Contribution type	65 - 69	70 - 74	75 and over
Superannuation Guarantee (SG)	**Yes** – SG contributions made by your employer can be accepted.		
Industrial award or agreement	**Yes** – Industrial award agreement contributions made by an employer can be accepted.		
Salary Sacrifice or additional employer payments	**Yes** – Salary sacrifice or additional employer contributions can be accepted where the work test rule has been satisfied.		**No** – Salary sacrifice or employer voluntary contributions cannot be accepted.

What are the work test rules if you are over age 65?

To be eligible to make contributions into superannuation once you are over the age of 65, you must have been gainfully employed for at least 40 hours in a period of not more than 30 consecutive days during the same financial year in which the contributions are made.

Once you turn 65, we will write to you each year to confirm your eligibility to make contributions to super.

Contribution types and caps

There are two types of contributions that you can make to your super account. How much you can contribute to your super account each year depends on your age and the type of contributions you are making.

Concessional (before tax) contributions

Concessional contributions are contributions paid into your super account before any tax is taken out.

Concessional contributions include employer SG contributions, salary sacrifice contributions and any personal contributions made by a self-employed person for which a tax deduction is claimed.

All concessional contributions are taxed at 15% within the Fund. Contributions that exceed the concessional cap are taxed at the individual's marginal tax rate.

All concessional contributions are capped at $25,000 per year, regardless of age.

Excess concessional contributions

If you go over the concessional caps, your excess contributions will be included in your assessable income and taxed at your marginal tax rate (plus an interest charge).

To find out more about tax on excess contributions, see **How your super is taxed** available at **csf.com.au/super-pds**.

Non-concessional (after tax) contributions

Non-concessional contributions are contributions put into your super account after tax is taken out.

Non-concessional contributions include voluntary after tax member contributions and spouse contributions.

For personal and spouse contributions (non-concessional contributions):

- Anyone under the age of 65 can contribute up to $100,000 per year into superannuation (or can contribute up to $300,000 in one year under the 'bring forward' rule – see table opposite).
- Anyone over the age of 65 can contribute up to $100,000 per year into superannuation (subject to meeting the work test rule).

You can bring forward any unused non-concessional cap amounts for up to a total of three financial years. For example, you can choose to forego making personal contributions for the following two financial years after making your original contribution (i.e. $100,000 for year 1 + $100,000 for year 2 + $100,000 for year 3 = $300,000).

The amount you can bring forward is determined by how much you currently have in super as set out in the table below.

Total super balance at 30 June of the previous financial year	Contribution and bring forward available
Less than $1.4 million	3 years ($300,000)
At least $1.4 million but less than $1.5 million	2 years ($200,000)
At least $1.5 million but less than $1.6 million	1 year ($100,000)
At least $1.6 million	Nil

Exceeding the $1.6 million threshold is allowable if you make a contribution using the bring forward rule as shown above, but no further after tax contributions can be made once your total super balance is above that $1.6 million threshold.

Excess non-concessional contributions

If you exceed the maximum non-concessional contributions cap, you may choose to withdraw the contributions in excess of the non-concessional contribution cap plus 85% of any associated earnings.

Exceptions to the caps:

- Contributions pertaining to certain proceeds from the sale of a business have a lifetime cap of $1.445 million (indexed from time to time).
- Contributions pertaining to the proceeds from settlements for injuries resulting in permanent disablement do not count towards any cap, provided they are contributed to super within 90 days of receipt.
- Super co-contributions do not count towards any cap.
- Transfers from an Australian fund (rollovers).

Monitoring your contributions

Catholic Super cannot monitor your contributions because the caps apply to all contributions that you make towards your super during a financial year, including those made to any other super funds you may have. The caps apply per person, and not per super fund.

To track your contributions and see the updated total that's been contributed to your Catholic Super account for the current financial year, log onto **MyLife Online** at **csf.com.au/mylifeonline**.

Contribution splitting

You have the option to have some of your super contributions transferred to your spouse's super account – either within Catholic Super or to a different fund. Eligible contributions can be split between married and de facto couples, including same sex couples, after the completion of the financial year or earlier if the member is withdrawing their benefit. Your spouse must be under the age of 65 and not retired.

Only concessional contributions (i.e. Super Guarantee contributions, salary sacrifice contributions and contributions made by the self-employed) made during the previous financial year are eligible for contribution splitting. You can split the lesser of 85% of your concessional contributions for the financial year, or the concessional contributions cap for the financial year. You cannot split personal after tax contributions, amounts transferred from another super fund or amounts subject to a Family Law payment split.

Catholic Super must receive contribution splitting advice by the end of the financial year for the previous financial year's contributions. Split funds will be allocated in arrears once a year, and will be transferred into your spouse's super account where they will be fully preserved.

Before entering into a contributions splitting arrangement, you should consider seeking professional advice.

Superannuation splitting and Family Law legislation

Under Australian law, superannuation entitlements can be divided or split by agreement or court order in the event of a relationship breakdown. These laws apply to married and de facto couples, whether of the same or opposite sex.

Upon receipt of an agreement or court order Catholic Super is required by law to split your super. A new super account can be created in Catholic Super for the non-member spouse, or the super can be transferred or rolled over to another super fund. In some cases, the non-member spouse may be entitled to take their interest in the form of a benefit payment.

Where a new super account is created for the non-member spouse, any super benefits subsequently taken by the non-member spouse from the new super interest are taxed according to the current rules for member benefits.

Upon request, Catholic Super is required by law to provide prescribed information about a member's superannuation to a spouse, or to a potential spouse in the case of a pre-nuptial agreement. We are not allowed to advise you that this information has been requested, nor are we allowed to release your address to your spouse.

If you need any assistance, contact our Service Centre

→ **1300 655 002**

→ **info@csf.com.au**

The information in this document is dated 1 July 2017 and forms part of the Member and Employer Guide Product Disclosure Statement issued by CSF Pty Limited dated 30 September 2017.