First Home Super Saver Scheme

The First Home Super Saver (FHSS) Scheme was introduced by the federal government in 2017 to reduce pressure on housing affordability in Australia.

From 1 July 2017, any voluntary concessional (before tax) contributions or non-concessional (after tax) contributions paid into your superannuation account can be used towards a deposit on your first home.

For an individual, you can make voluntary contributions of up to $15,000 each year up to a maximum of $30,000, and there is no time limit to save the amount. For a couple, you can make voluntary contributions of up to $30,000 each year to a combined maximum of $60,000, and there is no time limit to save the amount.

- **Concessional contributions** – such as salary sacrifice contributions, or contributions where a tax deduction has been claimed. These contributions are taxed at 15%.
- **Non-concessional contributions** – these are personal contributions or any after tax contribution where a tax deduction has not been claimed

The money you can withdraw from super for the scheme does not include contributions from the Super Guarantee rate – which is currently 9.5%. From 1 July 2018, only the voluntary contributions may be released for the purpose of purchasing your first home.

Eligibility

You must be at least 18 years of age, and you must have never owned property in Australia before, and have not previously requested a release for the FHSS Scheme.

The funds must be used towards a property that you will live in as soon as practical and which you intend to live in for at least 6 months of the first 12 months of ownership.

If you have previously owned property in Australia but have suffered a financial hardship, the Commissioner of Taxation will determine if you are exempt from these rules.

How to apply

You will need to complete an application to the Commissioner of Taxation for the First Home Super Saver Scheme for a determination and release of funds. This application can be made from 1 July 2018, via your MyGov account linked to the ATO (Australian Taxation Office).

The maximum release amount is a calculation of contributions and the associated earnings on these contributions. This amount will be determined by the Commissioner of Taxation, and is made up of:

- 100% of non-concessional contributions
- 85% of concessional contributions (15% contributions tax deducted)
- the associated earnings of these contributions, calculated by using the deemed rate of return of the 90-day Bank Bill Rate, plus 3% (shortfall interest charge only)

During the determination process, the Commissioner of Taxation will decide on the maximum amount to be released, the associated earnings, and tax to be withheld. You can apply for a request for a determination more than once, however a release of funds can only occur once.

Accessing the funds

The commissioner of Taxation will send an authority of release to Catholic Super, and we will pay the amount requested directly to the ATO.

From there, the ATO will:

- withhold the appropriate amount of tax depending on your circumstances, either
  - your expected marginal tax rate, including the Medicare levy, less a 30% offset
  - 17% if the commissioner is unable to estimate your expected marginal rate
- pay the balance to your nominated account
- issue a payment summary, including the assessable FHSS amount, concessional contributions, and associated earnings on the additional contributions made

Please note the amount released from the FHSS Scheme must be included on the payment summary as assessable income on a tax return.

Once the funds have been released, the member has 12 months to sign a contract to purchase or construct their first home. A release paid from 1 July 2018 will have no partial withdrawal fees charged.

For further information regarding the FHSS Scheme please visit **ato.gov.au**

If you need any assistance, please contact us

→ 1300 655 002 (8:30am – 6:00pm AEST/AEDT, Monday to Friday)

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