Super for the self-employed

fact sheet

For most people, super begins when you start work and your employer pays a portion of your salary, called Superannuation Guarantee (SG) contributions, into a super fund for you. For the self-employed, paying super is not mandatory, however, there are many benefits to contributing towards your future retirement. Please visit ato.gov.au for more information.

The different types of contributions you can make include:

Concessional contributions (before tax) are contributions made from your income before your pay tax. This contribution is subject to a 15% tax.

A non-concessional contribution (after tax) is a personal contribution that you make to your super account from your own money after tax, i.e. the money you have already paid income tax on. This is known as a member or personal contribution.

Tax deduction on your super – you could be eligible to claim a tax deduction if you:

- have made a personal contribution to your super within a financial year;
- are aged up to 75 (work test applies from age 67 to 74); and
- lodge a notice of intention to claim a tax deduction with your super fund.

You can claim a tax deduction on you personal super contributions up to the concessional cap, which is currently $25,000 per financial year, for all ages. You can also make one-off or regular contributions via direct debit and BPAY, or make ongoing payroll deductions each time you are paid.

Government co-contributions

Depending on your salary, you could be eligible to receive a tax free bonus of up to $500* from the Government if you top up your super with an after-tax contribution. The super co-contribution is a payment made by the Government into your super account to encourage you to save for retirement. The Government can contribute a maximum of $0.50 for each $1 you contribute, based on your total income in the financial year. If your total income is:

- Less than $39,837* per year, you could be entitled to the maximum co-contribution of $500
- Above $39,837, the maximum co-contribution will reduce by 3.33 cents for each additional dollar of income and phase out completely at $54,837*.

*For the 2020/21 financial year.

Spousal contributions

If your spouse earns $37,000 or less per year, you're able to contribute as much as $3,000 into their super in order to receive an 18% tax offset. The spouse contribution tax offset provides a tax offset of up to $540 for a contributing spouse where they make eligible spouse contributions of up to $3,000.

At any age, you can make contributions to your spouse's super if your spouse is under age 67 or aged 67-74 and gainfully employed. The contribution must be made to a complying super fund, and you are both Australian residents and are Australian taxpayers.

To be eligible for the offset, your receiving spouse must have total income (assessable income, reportable fringe benefits amounts and reportable employer super contributions) not exceeding $37,000 in order for you to receive the maximum offset – a partial offset may apply where your receiving spouse has a total income between $37,000 and $40,000.

Investments

Super is a long term investment and the better your super fund's investments perform, the more money you will have in retirement. As a member of Catholic Super, you can choose the investment option that is most suitable for you. We offer 14 investment options, with the ablility to switch in and out of options, free of charge.

If you don't choose an investment option, your super will be invested using our Default Strategy. Before age 50 your super will be invested in the Aggressive option, and over time will transition into the Balanced option by age 53. This strategy draws on the benefits of having your super invested in a high return/high risk investment option (Aggressive) over the long term, then moves your super to Balanced, a medium return/risk option as you get closer to retirement age. To read more about our investment options, visit **csf.com.au/investment-options**

Insurance

There are three types of insurance self-employed members of Catholic Super can apply for: Income Protection, Total & Permanent Disability, and Death only cover. The premiums are paid from your super account, so there are no out of pocket expenses.

Income Protection covers your most valuable asset – your future earnings. This cover will help pay for daily living expenses by providing you with a monthly benefit, replacing part of your income while you are unable to work due to illness or injury.

Total & Permanent Disability cover provides you with a lump sum payment if you are incapable of returning to work again due to illness or injury. It can help you pay for medical expenses, modifications to your home and any other financial needs.

Death only cover is designed to provide your dependant(s) or beneficiaries with a lump sum payment for any ongoing financial obligations, if you were to become terminally ill or pass away.

To read more about insurance, visit: **csf.com.au/insurance**

How to join

Joining Catholic Super online is easy, with four simple steps which take less than five minutes. Visit **csf.com.au/join** for more information. Alternatively, download, complete and return the Personal Plan Application form, available at **csf.com.au/forms**, or call our Service Centre and they can help you.

If you need any assistance, please contact our Service Centre

1300 655 002 8:30 am to 6:00 pm EST/EDT (Monday to Friday)

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