

# Commonwealth Government Super Co-contribution

## FACT SHEET

### WHAT IS IT?

The Super Co-contribution is a way for the Australian Government to help you save for your retirement. If you're eligible, the Government will match any personal after tax contributions you make to your super with an additional super payment known as a 'co-contribution'. Certain limits apply.

### HOW DO YOU KNOW IF YOUR ELIGIBLE?

You are eligible for a co-contribution payment if you:

- Have made one or more personal after-tax contributions to your complying super fund or a retirement savings account in the financial year;
- Have a total income\* for the financial year of less than \$61,920 (for the 2009/10 financial year);
- Lodge an income tax return with the Australian Taxation Office (ATO) for the financial year;
- Are less than 71 years of age at the end of the financial year;
- Earn 10% or more of your total income from running a business, eligible employment\*\* or a combination of both;
- Do not hold an 'eligible temporary resident visa' at any time during the financial year.

### YOU DON'T NEED TO APPLY

The ATO will determine your eligibility from details on your income tax return and information they receive from GESB. If you're eligible, the super co-contribution will be paid directly into your GESB account. You don't need to apply for it.

For tax purposes, the Super Co-contribution does not count towards your non-concessional contribution cap and must be preserved in your account. For more information about contribution caps go to [www.gesb.com.au/contributionrules](http://www.gesb.com.au/contributionrules)

The ATO will send you a letter with details about your Super Co-contribution amount after it has been deposited into your super account.

To find out more about the Super Co-contribution, go to the GESB website or you can contact the ATO Superannuation Info line on 13 10 20 or log on to [www.ato.gov.au/super](http://www.ato.gov.au/super)

### OTHER THINGS YOU NEED TO KNOW

GESB reports members' contribution details to the ATO by 31 October each year. The ATO uses this information, together with your tax return, to determine the super co-contribution payment amount. For more information about contribution caps go to [www.gesb.com.au/contributionrules](http://www.gesb.com.au/contributionrules)

Payments will be made by the Commonwealth Government directly into your GESB account. If you have closed your account in the interim period, the payment will be returned to the ATO and redirected to you or your other super fund.

Salary sacrificed (before-tax) contributions aren't eligible for a Super Co-contribution payment, because they are treated as employer contributions for tax purposes. You may wish to pay some or all of your contributions after-tax instead of using salary sacrifice if you are eligible for the Super Co-contribution.

### HOW IT WORKS

**If you earn up to \$31,920** (in 2009/10 financial year) and you make personal after-tax contributions into your super fund, you could receive a payment of up to \$1 for every \$1 you contribute.

If you pay the maximum level of \$1,000 personal after-tax contribution, you will attract a maximum payment from the government of \$1,000.

**If you earn between \$31,920 and \$61,920** (in 2009/10 financial year) and you make personal after-tax contributions into your super fund, you may also be eligible to receive a Super Co-contribution payment.

However, the maximum entitlement of \$1,000 is reduced by approximately 3.333 cents for every dollar of your assessable income (plus reportable fringe benefits and reportable employer superannuation contributions) that is above \$31,920.

Use the Super Co-contribution calculator to work out your maximum entitlement at [www.gesb.com.au/cocontribution](http://www.gesb.com.au/cocontribution)

### If you earn \$61,920 or more

You won't be eligible for the Super Co-contribution payment.

### HOW TO MAKE PERSONAL CONTRIBUTIONS

If you would like to make a personal contribution to your super account from your after-tax income, you have two options:

#### Option 1: Make a lump sum contribution

Use BPAY® to transfer money from your bank account.

Log on to Member Online at [gesb.com.au](http://gesb.com.au) (you will need to register first if you haven't already done so).

- Select the BPAY menu option and make a note of the Biller Code and your unique reference number.
- Call your financial institution's telephone banking service or use their internet banking service by following the links in Member Online.
- Once you have completed your BPAY transaction, remember to record your receipt number or print a copy for your records.

#### Option 2: Have contributions deducted from your pay#

- Download a contributions form from [gesb.com/brochures](http://gesb.com/brochures)
- Complete all sections of the 'Payroll Deduction' form
- If you wish to make personal after-tax contributions from your pay, check with your employer to ensure they are able to do this.
- Send this form to your employer's payroll office.

### OR

#### Send a cheque or money order

Download and complete a 'Super Contributions form' from [www.gesb.com.au/brochures](http://www.gesb.com.au/brochures)  
Post the completed form, along with your cheque or money order, made payable to GESB, to:  
GESB, PO Box J 755, Perth WA 6842

## WHAT YOU NEED TO CONTRIBUTE TO QUALIFY

ASSESSABLE INCOME + REPORTABLE FRINGE BENEFITS AND REPORTABLE EMPLOYER SUPERANNUATION CONTRIBUTIONS	2009/10 FINANCIAL YEAR	
	Personal Contribution* required	Maximum Super Co-contribution which is available
\$31,920 or less	\$1,000	\$1,000
\$35,920	\$867	\$867
\$39,920	\$734	\$734
\$43,920	\$600	\$600
\$47,920	\$467	\$467
\$51,920	\$334	\$334
\$55,920	\$200	\$200
\$59,920	\$67	\$67
\$61,920 or more	N/A	Nil

\*Personal contributions must be made from after-tax salary to be eligible. Salary sacrificed contributions do not qualify for the Super Co-contribution.

### LEARN MORE ABOUT THIS AND OTHER GOVERNMENT INCENTIVES

To find out more about receiving Super Co-contributions, call our Member Services Centre on 13 43 72 or go to [www.gesb.com.au/cocontribution](http://www.gesb.com.au/cocontribution).

You may be able to get a tax off-set of up to \$540 if you make personal contributions on behalf of your spouse. To find out more, go to [www.gesb.com.au/brochures](http://www.gesb.com.au/brochures) and download a 'Spouse contributions' brochure.

### DEFINITION OF TERMS

- Assessable income** According to the Australian Tax Office (ATO), assessable income is your gross (i.e. before tax) income including your salary and wages, dividends, interest and rent before any tax or deductions are applied. Assessable income also includes net capital gains, Eligible Termination Payments (ETP) and other amounts that are not ordinarily classed as income.
- Non-concessional contributions** Personal contributions **OR** After-tax contributions.  
 Non-concessional contributions are generally 'after-tax' contributions or payments and include any after-tax contributions (where no tax deduction has been claimed) made as a lump sum, payroll or spouse contribution. Limits apply. See [www.gesb.com.au/contributionrules](http://www.gesb.com.au/contributionrules)
- Concessional contributions** Employer contributions **OR** Before-tax contributions.  
 Concessional contributions generally include employer contributions and personal contributions for which a tax deduction has been claimed. Salary sacrifice contributions are concessional contributions for tax purposes.
- Personal (after-tax) contributions** These are contributions you choose to make to your super account from your after-tax income. This is in addition to any employer contributions and any contributions made through a salary sacrifice arrangement.
- Eligible employment** Most employees, whether full-time, part-time or casual, are considered eligible employees under the Superannuation Guarantee legislation.  
 The exceptions are for employees:
  - earning less than \$450 a calendar month
  - 71 years or less or over, or under 18 years of age and working for less than 30 hours a week
  - paid to do domestic or private work for under 30 hours per week
  - covered by a bilateral superannuation agreement where the employee works temporarily in other countries
  - that have vested benefits in excess of their pension reasonable benefit limit (RBL) and elects not to receive any employer contributions.
- Reportable fringe benefits** A fringe benefit is a benefit either you or an associate, such as your spouse or children, receive because of your employment. A benefit is any right, privilege, service or facility you receive, e.g. the use of something (like a car, house or equipment), ownership of something (such as items of clothing) or enjoyment of a privilege or facility (such as staying at a holiday home).  
 A reportable fringe benefit occurs when the value of certain benefits provided to you exceeds \$2,000 (in a FBT year). Your employer must record the grossed-up taxable value of these benefits on your payment summary for the corresponding income year.
- FBT year** A Fringe Benefits Tax year example would be 1 April 2009 to 31 March 2010.
- Salary sacrifice** This is commonly used to provide an employee with benefits, such as super contributions, in return for the employee agreeing to a reduction of their contractual salary. It has the potential to save the employee income tax. These contributions are included as reportable employer superannuation contributions for tax purposes.

## How to contact us

 Member Services Centre 13 43 72  
  Facsimile 1800 300 067  
  [gesb.com.au](http://gesb.com.au)  
 PO Box J 755, Perth WA 6842  
  Level 4 Central Park, 152 St Georges Terrace, Perth

\* Total income means your assessable income + reportable fringe benefits + reportable employer superannuation contributions. See Definition of Terms overleaf.

\*\* Most employees, whether full-time, part-time or casual, are considered eligible employees under the Superannuation Guarantee legislation. See overleaf for exceptions.

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# Having contributions deducted from your pay (Option 2) is only available to current WA Public Sector employees. If you are no longer working for the WA Public Sector, you can only make personal contributions as a lump sum (see Option 1).