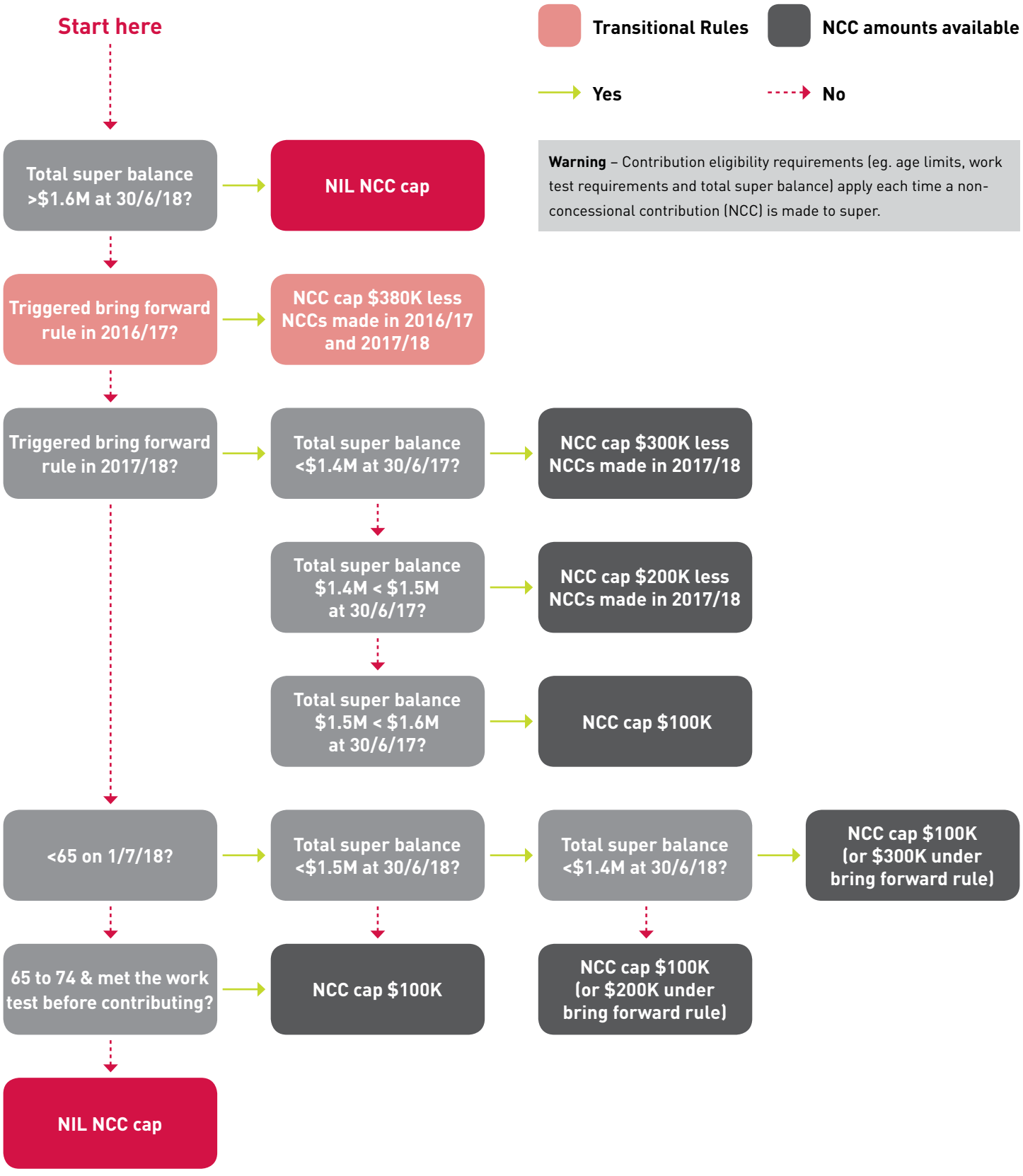
Non-concessional contribution decision tree

From 1 July 2018



Warning – Contribution eligibility requirements (eg. age limits, work test requirements and total super balance) apply each time a non-concessional contribution (NCC) is made to super.

Examples for 2018/19

Quinn is 64 on 1 July 2018 and has a total super balance of $1.39M (as at 30 June 2018). He is therefore eligible to use the three-year bring-forward rule and contribute $300K (until 30 June 2021).

A few months later, Quinn turns 65 and makes a non-concessional contribution of $140K during 2018/19, triggering the bring forward rule. As the contribution was made after Quinn turned 65, he had to meet the work test before he made the contribution.

Quinn's remaining bring-forward cap is now $160K ($300K - $140K). The amount that Quinn can contribute in 2019/20 and 2020/21 will be dependent on his total super balance at the end of 30 June 2019 and 30 June 2020.

On 30 June 2019, Quinn's total super balance has increased to $1.58M due to contributions and investment returns. Quinn is still able to contribute up to $160K until 30 June 2021 as long as he meets the work test.

However, if Quinn's total super balance at 30 June 2019 had increased to $1.6M or more, his remaining NCC for 2019/20 (which would otherwise have been $160K) would reduce to nil.

If Quinn makes any non-concessional contributions while his total super balance at 30 June 2019 is equal to or greater than the general transfer balance cap (ie. $1.6M), he would be deemed to be in excess of his non-concessional cap.

Quinn's example continued

After triggering the bring-forward rule in 2018/19, Quinn's remaining bring-forward cap is $160K ($300K - $140K) until 30 June 2021.

On 30 June 2019, Quinn's total super balance has increased to $1.61M. As a result, Quinn's non-concessional cap for 2019/20 would reduce to nil.

It is now 2020/21 and Quinn's total super balance has reduced to $1.51M (as at 30 June 2020) due to withdrawals he has made from his super fund.

Despite not being able to contribute in 2019/20, Quinn is still able to contribute up to $160K in 2020/21 (due to his reduced total super balance of $1.51M) as long as he meets the work test.