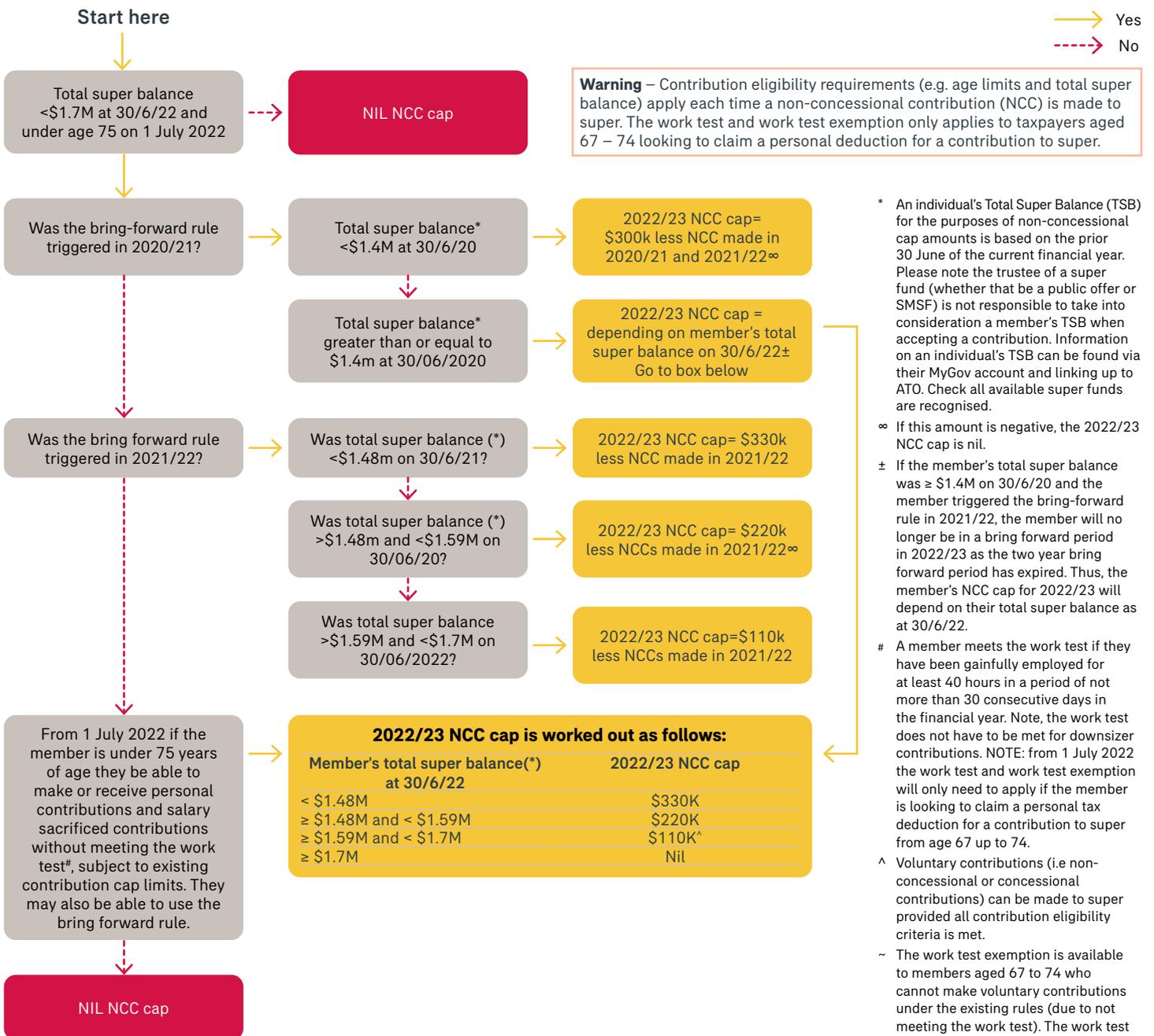


NON-CONCESSIONAL CONTRIBUTION DECISION TREE

From 1 July 2022



HEALTHIER, LONGER, BETTER LIVES



* An individual's Total Super Balance (TSB) for the purposes of non-concessional cap amounts is based on the prior 30 June of the current financial year. Please note the trustee of a super fund (whether that be a public offer or SMSF) is not responsible to take into consideration a member's TSB when accepting a contribution. Information on an individual's TSB can be found via their MyGov account and linking up to ATO. Check all available super funds are recognised.

[∞] If this amount is negative, the 2022/23 NCC cap is nil.

[±] If the member's total super balance was ≥ \$1.4M on 30/6/20 and the member triggered the bring-forward rule in 2021/22, the member will no longer be in a bring forward period in 2022/23 as the two year bring forward period has expired. Thus, the member's NCC cap for 2022/23 will depend on their total super balance as at 30/6/22.

[#] A member meets the work test if they have been gainfully employed for at least 40 hours in a period of not more than 30 consecutive days in the financial year. Note, the work test does not have to be met for downsizer contributions. NOTE: from 1 July 2022 the work test and work test exemption will only need to apply if the member is looking to claim a personal tax deduction for a contribution to super from age 67 up to 74.

[^] Voluntary contributions (i.e non-concessional or concessional contributions) can be made to super provided all contribution eligibility criteria is met.

[~] The work test exemption is available to members aged 67 to 74 who cannot make voluntary contributions under the existing rules (due to not meeting the work test). The work test exemption applies for 12 months from EOFY that the work test was last met (ie. 2021/22).

Examples for 2022/23

Quinn is 67 on 1 July 2022 and has a total super balance of \$1.47M (as at 30 June 2022). He is therefore eligible to use the three-year bring-forward rule and contribute \$330K (until 30 June 2025).

A few months later, Quinn turns 67 and makes a non-concessional contribution of \$140K during 2022/23, triggering the bring forward rule. As the contribution was made after 1 July 2022 Quinn did not need to meet the work test before he made the contribution.

Quinn's remaining bring-forward cap is now \$190K (\$330K - \$140K). The amount that Quinn can contribute in 2023/24 and 2024/25 will be dependent on his total super balance at the end of 30 June 2023 and 30 June 2024.

On 30 June 2023, Quinn's total super balance has increased to \$1.65M due to contributions and investment returns. Quinn is still able to contribute up to \$50K until 30 June 2024 and does not need to satisfy the work test.

However, if Quinn's total super balance at 30 June 2022 had increased to \$1.7M or more, his remaining NCC for 2022/23 (which would otherwise have been \$50K) would reduce to nil.

If Quinn makes any non-concessional contributions while his total super balance at 30 June 2022 is equal to or greater than in 2021/22 the general transfer balance cap (ie. \$1.7M), he would be deemed to be in excess of his non-concessional cap.

Quinn's example continued

After triggering the bring-forward rule in 2022/23, Quinn's remaining bring-forward cap is \$190K (\$330K - \$140K) until 30 June 2025.

On 30 June 2023, Quinn's total super balance has increased to \$1.7M. As a result, Quinn's non-concessional cap for 2023/24 would reduce to nil.

Let's assume it is now after 1 July 2024 and Quinn's super balance has reduced to \$1.55m (as at 30 June 2024) due to withdrawals he has made from his super fund.

Despite not being able to contribute in 2023/24, Quinn is still able to contribute up to \$145K in 2024/25 (due to his reduced total super balance of \$1.55M) without having to meet the work test.