



# The Government co-contribution

If your income is between certain limits and you make after-tax contributions to your super fund, you may be entitled to a **Government co-contribution**. The maximum co-contribution for the 2009–10, 2010–11 and 2011–12 financial years is \$1,000 a year, increasing to \$1,125 for the 2012–13 and 2013–14 financial years, then to \$1,500 for the 2014–15 and subsequent financial years.

## Who is eligible?

Eligibility for the Government co-contribution is assessed at the end of a financial year. To be eligible you must satisfy **all** of the following:

- your total income<sup>1</sup> for the financial year is less than \$61,920 (2009–10, indexed)<sup>2</sup> and you earned at least 10% of your total income<sup>1</sup> from paid employment, running a business or a combination of both
- you lodge an income tax return for the financial year
- you made after-tax (non-concessional) contributions to your super during the financial year
- you did not hold an eligible temporary resident visa at any time during the financial year
- you are aged 70 or under at the end of the financial year.

<sup>1</sup> Income is the total of assessable income and reportable fringe benefits. For the self-employed, total income is reduced by amounts for which an individual is entitled to a deduction for carrying on a business. These deductions do not include work-related employee deductions or deductions that are available to eligible individuals (including the self-employed) for their personal superannuation contributions. The income concept used here is a net concept for individuals who carry on a business, and is designed to ensure that self-employed individuals with high gross business receipts are not arbitrarily exceeding the co-contribution income threshold.

Note: While salary sacrifice contributions effectively reduce your **taxable** income, they do NOT reduce your income for the purpose of qualifying for the Government co-contribution. For example, if your total income is \$70,000 and you make salary sacrifice contributions of \$20,000, your **taxable** income will fall to \$50,000 but you will **not** qualify for the co-contribution because your income for co-contribution purposes remains at \$70,000 (which is above the \$61,920 upper threshold for 2009–10).

<sup>2</sup> Each financial year, the lower income threshold (\$31,920 in 2009–10) is indexed and the upper income threshold will be increased so that it remains \$30,000 more than the lower income threshold.

Use the calculators on our website to see how  
the co-contribution can help your super grow



## Amount of the co-contribution

The amount of the co-contribution will vary over the next few financial years as follows:

Income years	Maximum co-contribution	Reduction of maximum co-contribution
2009–10 2010–11 2011–12	At the rate of 100% (ie \$1 for every dollar of contribution) up to a maximum of \$1,000 per annum for a \$1,000 personal contribution.	Reduced by 3.333 cents for every dollar by which the person's total income exceeds the lower income threshold <sup>1</sup> .
2012–13 2013–14	At the rate of 125% of (ie \$1.25 for each dollar of contribution) up to a maximum of \$1,125 per annum for a \$1,000 personal contribution.	Reduced by 4.167 cents for every dollar by which the person's total income exceeds the lower income threshold.
From 2014–15	At the rate of 150% of (ie \$1.50 for each dollar of contribution) up to a maximum of \$1,500 per annum for a \$1,000 personal contribution.	Reduced by 5 cents for every dollar by which the person's total income exceeds the lower income threshold.

Using the income thresholds for the 2009–10 financial year, the table shows the amount of Government co-contribution for various levels of personal after-tax contributions.

Examples	If your personal superannuation contribution is:			
	\$1,000	\$800	\$500	\$200
<b>Your total income is:</b>	<b>Your co-contribution from the Federal Government will be:</b>			
\$31,920 or less	\$1,000.00	\$800.00	\$500.00	\$200.00
\$33,920	\$933.34	\$800.00	\$500.00	\$200.00
\$43,920	\$600.04	\$600.04	\$500.00	\$200.00
\$53,920	\$266.74	\$266.74	\$266.74	\$200.00
\$61,920	\$0.00	\$0.00	\$0.00	\$0.00

<sup>1</sup> Each financial year, the lower income threshold (\$31,920 in 2009–10) is indexed and the upper income threshold will be increased so that it remains \$30,000 more than the lower income threshold.

### How and when is the payment made?

The Australian Taxation Office (ATO) uses your tax return and other information about your contributions to determine if you are entitled to receive a co-contribution payment. Any co-contribution payment is sent directly to your superannuation fund by the ATO. The timing of this depends on when you lodge your tax return, and the ATO assessing your eligibility and processing the payment.



### Contact information

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