

# Super rules, rates and thresholds that apply from 1 July 2023



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A range of rules, rates and thresholds that apply to super are updated periodically in line with changes in legislation and indexation (where a threshold is adjusted to reflect changes to the [Consumer Price Index \[CPI\]](#) or [Average weekly ordinary time earnings \[AWOTE\]](#)). This factsheet explains rules, rates and thresholds that apply to super from 1 July 2023.

## Super guarantee rate

For the 2023-24 financial year, the [super guarantee \(SG\) rate](#) is 11% p.a. of Ordinary Time Earnings<sup>1</sup> (for 2022-23 it was 10.5%). This rate is scheduled to rise by 0.5% each financial year until it reaches 12% p.a. from 1 July 2025.

<sup>1</sup> Ordinary Time Earnings are generally what employees earn for their ordinary hours of work, including: regular salary, over-award payments, bonuses, commissions, allowances, and paid leave. Overtime is not generally included. See [ato.com.au](https://ato.com.au) for more information.

## Concessional contributions cap

For the 2023-24 financial year, the annual concessional contributions cap is \$27,500. Concessional contributions include all employer contributions (including salary sacrifice) from before-tax income as well as personal (voluntary) contributions for which you claim an income tax deduction. Any fees and insurance premiums paid by your employer also count towards the cap.

To check your current total amount of concessional contributions made to Australian Retirement Trust, log into [Member Online](#) or the [Australian Retirement Trust app](#), click on the 'Contributions' tab and then select 'Concessional contributions'. If you have other super funds, you need to check with them too.

## Work test

From 1 July 2022 if you are under 75 years old, you no longer need to meet the work test to make or receive non-concessional super contributions and salary sacrifice contributions. If you are 67 to 74 years old, you will however be required to meet the work test in order to claim a personal superannuation contribution deduction. Find out more at [ato.gov.au](https://ato.gov.au)

## 'Carry-forward' concessional contributions

If your [total superannuation balance \(TSB\)](#) is less than \$500,000 (from the 2019-20 financial year), the carry-forward rules allow you to access unused concessional cap amounts from previous years. An unused cap amount occurs when the concessional contributions made in a financial year were less than your general concessional contributions cap. Unused amounts are available to carry forward for a maximum of five years after which they expire.

For example: if your concessional contributions (which include your employer superannuation guarantee and salary sacrifice contributions) were \$15,000 for 2022-23 and you had used your full cap in previous years, you would have a carry forward unused amount of \$12,500. This means that your concessional contribution cap for 2023-24 is \$40,000 (\$27,500 concessional contribution cap for 2023-24 plus \$12,500 carry forward concessional contributions from 2022-23).

You can see a record of the concessional contributions made to your Super Savings account in [Member Online](#).

## Non-concessional contribution cap

From 1 July 2021, the annual non-concessional contribution cap is \$110,000 a year.

## 'Bring-forward' rules

From 1 July 2021, if you're under 75 years of age at any point during the financial year, you may be able to bring forward two years of non-concessional contributions. This allows you to contribute up to three times the cap at once or at any time during the three financial years.

Last updated: July 2023

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## Division 293 tax

If your income and concessional contributions are more than \$250,000 in a financial year (from 2017-18 onwards), you may have to pay an additional 15% tax on some or all of your concessional contributions. Income from a range of sources counts towards this limit, including employment and business income, investment income, and income you may receive from one off payments such as redundancy and termination payments.

Find out more at [ato.gov.au](https://ato.gov.au)

## Transfer balance cap increase

From 1 July 2023, the transfer balance cap will increase to \$1.9 million. The transfer balance cap limits the total amount of super you can transfer to a retirement income stream without paying additional tax. Find out more at [ato.gov.au](https://ato.gov.au)

## Restrictions on non-concessional contributions for superannuation balances of \$1,680,000 or more from 1 July 2023

Provided you are under 75 years of age and depending on your 'total superannuation balance' at 30 June 2023, the amount of your non-concessional cap and the amount you can bring-forward may be reduced.

These restrictions are detailed below.

Total superannuation balance on 30 June 2023	Standard non-concessional cap for 2023-24	Bring-forward period	Maximum non-concessional contributions for 2023-24 (including bring-forward rule)
Less than \$1.68 million	\$110,000	3 years	\$330,000
Greater than or equal to \$1.68 million and less than \$1.79 million	\$110,000	2 years	\$220,000
Greater than or equal to \$1.79 million and less than \$1.9 million	\$110,000	N/A	\$110,000
\$1.9 million or more	Nil	N/A	Nil

## First Home Super Saver Scheme (FHSSS)

If you make voluntary before-tax or after-tax contributions into your super, you may be able to withdraw these contributions plus associated earnings to help purchase your first home. A maximum withdrawal cap of \$15,000 in contributions made during a single year or \$50,000 in total contributions applies.

Tax is payable on withdrawals of before-tax contributions.

It's important to note that associated earnings are calculated using a deemed rate of return, which may be greater or less than the actual earnings on your account.

Find out more at [art.com.au/fhsss](https://art.com.au/fhsss)

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## Preservation age

Generally, you'll be able to withdraw from your super when you've reached:

- your preservation age and are permanently retired from work
- the age of 60 and stopped any employment arrangement either on or after turning 60 years, or
- the age of 65.

Your preservation age depends on when you were born, as shown in the table below.

When were you born?	Preservation age
Before 1 July 1960	55
1 July 1960 – 30 June 1961	56
1 July 1961 – 30 June 1962	57
1 July 1962 – 30 June 1963	58
1 July 1963 – 30 June 1964	59
From 1 July 1964	60

## Tax on lump sum super withdrawals

If you're aged 60 or over and withdraw a lump sum:

- You don't pay any tax when you withdraw from a taxed super fund.
- You may pay tax if you withdraw from an untaxed super fund, such as a public sector fund.

If you have not yet reached your preservation age:

- You pay 22% (including the Medicare Levy) or your marginal tax rate, whichever is lower.

For more information, see the super lump sum tax table on the [ATO website](#).

## Downsizer contributions

If you're 55 or over, you might be able to add up to \$300,000 to your super tax-free when selling a property you've lived in. This is called a downsizer contribution to super. If your spouse is also 55 or older, you can add up to \$600,000 in total between the two of you. It's a tax-free contribution even if only one of you is listed as an owner of the property. To take advantage of this measure, your home must have been owned by you or your spouse for 10 years or more prior to sale, and the contribution must generally be made within 90 days of settlement. This measure does not include investment properties, holiday homes, caravans or other mobile homes. Downsizer contributions do not count towards the non-concessional contributions cap and are not subject to the age restrictions and work test rules that apply to other voluntary contributions.

Find out more at [art.com.au/downsizer](http://art.com.au/downsizer)

## Low income super tax offset

The government could boost your super savings by giving you a low income super tax offset (LISTO) provided your annual taxable income is \$37,000 or less. The LISTO is 15% of the concessional super contributions you or your employer make. The maximum you'll receive for a financial year is \$500 and the minimum is \$10. If you're eligible for a LISTO and your Tax File Number is on file, the LISTO is paid directly to your super fund. It may take up to 14 months from the end of the financial year for the payment to reach your fund so make sure you check your Annual Statement each year.

## Maximum superannuation contribution base

Each year the government sets a maximum limit on an employee's income on which their employer needs to pay SG contributions called the maximum superannuation contribution base. This limit is indexed to **AWOTE** and is updated each financial year. For the 2023-24 financial year, the limit is **\$62,270** per quarter.

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## Spouse contributions

A person making a contribution into the account of their low-income earning spouse is eligible for a tax offset of up to a maximum \$540 p.a. (18% of a total contribution of up to \$3,000) if their spouse earns less than the lower threshold amount.

Total income of recipient spouse	Tax offset <sup>2</sup> available to contributing spouse
\$0 - \$37,000	Up to \$540
\$37,000 - \$40,000	Between \$540 – 0 <sup>3</sup>
\$40,000	Nil

<sup>2</sup> Tax offset applies to a maximum contribution of \$3,000 p.a.

<sup>3</sup> Tax offset proportionally decreases, cutting out when the spouse earns the higher threshold amount.

Find out more about [spouse contributions](#).

## Government co-contribution

If your income is less than \$58,445 in the 2023-24 financial year and you have made a voluntary after-tax contribution to your account by 30 June each year, the Australian Taxation Office (ATO) will confirm your eligibility to receive the Government co-contribution up to a maximum of \$500 per year (for incomes up to \$43,445 for 2023-24). The co-contribution gets paid directly into your account after you've lodged your tax return for that year if your super fund has your TFN.

Some examples of how much you could receive from 1 July 2023:

Your total income	Your voluntary after-tax contribution	Maximum co-contribution
Up to \$43,445	\$1,000	\$500
\$49,445	\$1,000	\$300
\$52,445	\$1,000	\$200
\$55,445	\$1,000	\$100
\$58,445	Any amount	\$0

## Want some advice?

Speak to your adviser. If you don't have a personal financial adviser, Australian Retirement Trust has qualified financial advisers<sup>4</sup> who can help you over the phone with simple advice about your Super Savings account. This service is included in your membership<sup>5</sup>. If you need financial advice about more than just your super, we may refer you to an accredited external financial adviser<sup>6</sup>. Advice of this nature may incur a fee. You can find out more about financial advice options at [art.com.au/advice/options](http://art.com.au/advice/options)

<sup>4</sup> Australian Retirement Trust employees provide advice as representatives of Sunsuper Financial Services Pty Ltd (ABN 50 087 154 818 AFSL No. 227867) (SFS), wholly owned by Australian Retirement Trust. <sup>5</sup> Sunsuper Financial Services Pty Ltd (ABN 50 087 154 818 AFSL No. 227867) (SFS) is a separate legal entity responsible for the financial services it provides. Eligibility conditions apply. Refer to the Financial Services Guide (pdf) for more information. <sup>6</sup> Australian Retirement Trust has established a panel of accredited external financial advisers who are not employees of Australian Retirement Trust. Australian Retirement Trust is not responsible for the advice provided by these advisers and does not receive or pay any referral fees. These advisers will explain to you how their advice fees are determined.

Find out more about contributing to super at [art.com.au/contributions](http://art.com.au/contributions)

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