

# Government co-contribution (2009/10)

## Fact sheet

**You may be able to get up to \$1,000 from the Government added to your Superannuation account if you qualify for the Government's co-contribution scheme.**

### ■ What is the co-contribution scheme?

The scheme assists members who are on lower incomes and make personal contributions (after tax) to super to increase their super savings.

### ■ Am I eligible for the co-contribution?

To qualify for receiving the Government co-contribution, you must meet the following conditions:

1. In the year to 30 June 2010, your income should be less than \$61,920 p.a. Income is defined as assessable income plus reportable employer superannuation contributions\* and reportable fringe benefits. Salary sacrifice amounts you have chosen to make are included in your income for the co-contribution benefit.
2. You must make a personal after tax contribution either by lump sum or through payroll to a superannuation fund by 30 June 2010.
3. Be under age 71 at the end of the financial year.
4. Earn 10% or more of your total income from eligible employment\*\* and carrying on a business.
5. Generally, you must not have held a temporary resident visa at any point during the financial year (some exceptions apply).
6. Lodge your income tax return for the financial year.

\* Your employer can give you information about Reportable Employer Superannuation Contributions and Fringe Benefits that apply to you.

\*\*Eligible employment is where a person is treated as an employee for Superannuation Guarantee purposes.

### ■ How much can I get from the Government?

The co-contribution is \$1.00 for every \$1.00 you contribute, up to a maximum of \$1,000 (subject

to a reduction if your income is above \$31,920). If your income is less than \$31,920 you could receive the maximum co-contribution of \$1,000 by making a personal after tax contribution of \$1,000.

In May 2009, the Government announced a temporary reduction in the co-contribution rate from \$1.50 for every \$1.00 to \$1.00 for every \$1.00 contributed up to a maximum of \$1,000. This is scheduled to increase over the next 5 years, returning to \$1.50 for every \$1.00 by 2014.

### ■ How is the co-contribution calculated?

The amount of co-contribution is only available on the first \$1,000 contributed and depends on your total income to 30 June each year.

The table below shows how the co-contribution is calculated based on your total income for the 2009/10 financial year.

| Total income         | Your contribution (after tax) | Co-contribution calculation   |
|----------------------|-------------------------------|---|
| \$31,920 or less     | Up to \$1,000                 | Your contribution x 1 (but limited to the maximum co-contribution amount of \$1,000)  |
| \$31,920 to \$61,919 | Up to \$1,000                 | Your co-contribution is reduced by 3.333 cents for every dollar you earn over \$31,920 up to \$61,920.<br>The lesser of:<br>(i) Your contribution x 1 and<br>(ii) \$1,000 – [(income - \$31,920) x 0.03333] |
| \$61,920 and above   | Any amount                    | You are not eligible for the co-contribution.   |

The table below shows co-contribution amounts payable for people on a range of income levels for contributions made prior to 1 July 2010.

| Income           | Your contribution (to achieve maximum benefit) | Government maximum co-contribution |
|------------------|--|------------------------------------|
| Up to \$31,920   | \$1,000  | \$1,000                            |
| \$33,920         | \$933  | \$933                              |
| \$38,920         | \$767  | \$767                              |
| \$43,920         | \$600  | \$600                              |
| \$48,920         | \$433  | \$433                              |
| \$53,920         | \$267  | \$267                              |
| \$58,920         | \$100  | \$100                              |
| \$61,920 or more | nil  | nil                                |

**Please note:** Both the amount you receive from the Government and your own contributions must be preserved. For more information about preservation of super contributions, please see our *Accessing your benefits Fact sheet* available online at [esisuper.com.au](http://esisuper.com.au).

## ■ How do I claim the Government co-contribution?

Once you have made your personal after tax contribution into super, you need to complete and lodge a tax return with the ATO for that financial year.

ESI Super will inform the Australian Tax Office (ATO) in October each year of the amount of contributions you have made. The ATO will work out how much Government co-contribution you are entitled to by using information from the Fund and your personal tax return.

The co-contribution will then be sent by the ATO to the Fund and be paid directly into your super account. The ATO will send you confirmation that the amount has been paid.

## ■ How do I make personal contributions to ESI Super?

ESI Super allows you to make lump sum contributions via cheque, BPAY or EFT. You can also make regular contributions through your payroll deduction.

If you would like to make a lump sum contribution, you should complete the *Lump sum contribution payment Form*, which is available from our website – [esisuper.com.au](http://esisuper.com.au)

**Please note:** If you post a cheque to us, it must arrive before 30 June to qualify for this year's co-contribution.

## ■ More information

More information is available on the ATO's super website – [ato.gov.au/superfunds](http://ato.gov.au/superfunds). Type 'co-contributions' in the search engine.

### Example

A year ago, Jane opened an ESI Super account.

Jane works part time, earns \$15,000 a year and has no other income.

Jane has made a personal after tax contribution; she has put \$1,000 into her ESI Super account. Because Jane's income is below the lower eligible income threshold of \$31,920, she is entitled to the full Government co-contribution of \$1,000 which will be credited into her account, once she has filed a tax return and ESI Super has reported her annual super contributions to the ATO.

## More information

Call us on **1300 363 240**

Email us at [super@esisuper.com.au](mailto:super@esisuper.com.au) or visit [esisuper.com.au](http://esisuper.com.au)

### Disclaimer

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