

FY2025 super contributions caps changes

June 2024

Concessional and non-concessional super contributions caps are increasing on 1 July 2024.

Concessional contributions

- + These are your before-tax contributions that are taxed at 15% inside your super fund and they include employer super guarantee, salary sacrifice, and personal deductible contributions.
- + Annual cap: increasing from \$27,500 to \$30,000.

Concessional carry-forwards (catch-ups)

- + If your total super balance was below \$500,000 as at last financial year's 30 June, you may be eligible to utilize unused concessional caps from the previous five financial years.
- + FY24 is coming to a close, so this is the last chance to use up any unused concessional caps from FY19.

Non-concessional contributions

- + These are your after-tax contributions which are not taxed in your super fund and they are primarily personal contributions for which you don't claim a tax deduction.
- + Annual cap: increasing from \$110,000 to \$120,000.

Bring-forward rule

- + If you are under age 75 you may be eligible to make non-concessional contributions up to three times the annual non-concessional contributions cap.
- + The maximum amount you can contribute depends on your total super balance as at 30 June of the previous financial year, and the thresholds will also change slightly as at 1 July 2024 as per below:

Total superannuation balance on previous 30 June	Maximum non-concessional contributions cap
Less than \$1.66 million (\$1.68m from FY24)	\$360,000 (\$330,000 in FY24)
\$1.66 million to less than \$1.78 million (\$1.79m from FY24)	\$240,000 (\$220,000 in FY24)
\$1.78 million to less than \$1.90 million	\$120,000 (\$110,000 in FY24)
\$1.90 million and above	Nil

Considerations

- + In order to claim the tax deduction for those aged 67 to 74, you must pass the work test or be eligible for a work test exemption.
- + Division 293 Tax – an additional tax of 15% will be imposed on concessional contributions if your adjusted taxable income for the financial year was greater than \$250,000. Division 293 tax is levied against the individual but can be paid by the superannuation fund.
- + If you exceed your concessional contributions cap, amounts in excess of the cap will be taxed at the individual's marginal tax rate, plus an excess concessional contributions (ECC) charge. You may elect to withdraw up to 85% of the excess amount from your superannuation fund. The withdrawn amount will not count towards your non-concessional contributions cap.
- + Once the member turns 75, their final contribution must be paid to the fund by the 28th day of the month after they turn 75. For example, if your 75th birthday is 7 October, the final contribution must be made by 28 November. Superannuation funds are still eligible to receive SG contributions from members who are over 75 years of age.

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