



# GOVERNMENT CO-CONTRIBUTION SCHEME

## What is the Government co-contribution?

The co-contribution is a payment made by the Government into your super account to encourage you to save for retirement. They are offering to contribute a maximum of \$1 for every \$1 you contribute to a maximum of \$1,000, depending on your assessable income in a financial year – that’s potentially a 100% return on your investment!

The contribution must be a **personal** after tax contribution and not through salary sacrifice or from your employer.

## Am I eligible?

To receive the Government co-contribution you have to:

- Have earned \$61,920<sup>^</sup> or less during the financial year
- Have made an after tax contribution to your super during the financial year
- Have not used this contribution to claim a tax deduction
- Earn 10% or more of your total income from eligible employment or running a business, or both (this includes income through a company or trust)
- Be under 71 at the end of the financial year
- Not hold an eligible temporary resident visa at any time during this financial year

## How much will I get?

The Government could contribute up to \$1 for every \$1 of your own money you pay into super.

For the period 1 July 2009 to 30 June 2012, if your income is:

- **Less than \$31,920** per year, you could be entitled to the maximum co-contribution of \$1,000.
- **More than \$31,920** per year, the maximum co-contribution will reduce on a sliding scale as your income increases and will phase out completely at an income level of \$61,920<sup>^</sup>.

These lower and upper income limits will start to increase in line with the Consumer Price Index (CPI) from 1 July 2012.

As a guide, you can use the following table to estimate your super co-contribution from the Government.

	If your personal super contribution is:			
	\$1,000	\$800	\$500	\$200
And your income is:	Your Super Co-contribution will be:			
<b>\$31,920 or less</b>	\$1,000	\$800	\$500	\$200
<b>\$37,920</b>	\$800	\$800	\$500	\$200
<b>\$41,920</b>	\$667	\$667	\$500	\$200
<b>\$45,920</b>	\$533	\$533	\$500	\$200
<b>\$49,920</b>	\$400	\$400	\$400	\$200
<b>\$53,920</b>	\$267	\$267	\$267	\$200
<b>\$57,920</b>	\$133	\$133	\$133	\$133
<b>\$61,920 or more</b>	\$0	\$0	\$0	\$0

<sup>^</sup> Note: Total income for co-contribution purposes now includes assessable income, salary sacrificed contributions and reportable fringe benefits. →



## Future co-contribution rates

The Government co-contribution rates going forward will remain dollar for dollar, up to a maximum co-contribution of \$1,000.

## When will I receive my co-contribution?

The co-contribution for the financial year will be paid after 30 June. The Australian Tax Office (ATO) will collect your contribution information from your superannuation fund and wait for you to lodge your tax return. If they find you are eligible, they will pay the co-contribution directly into your fund for you. There's nothing more for you to do!

Providing you have lodged your tax return, if you have not received your co-contribution by January of the following year, you should contact the ATO.

## How can I make my after tax contributions?

BUSS(Q) lets you make lump sum contributions via cheque, BPAY or EFT. You can also make regular contributions through your payroll deduction.

**Please note**, if you post a cheque to us, it must arrive before the last business day of the financial year to qualify for the co-contribution.

## What else do I need to know?

Your personal after tax contributions and the co-contribution:

- Cannot be accessed until your retirement
- Will not be subject to any tax when paid into your super account, and
- Will not be taxed when you are able to access it on retirement.

## Extra Government boost for low income earners

**From 1 July 2012**, a Government contribution to superannuation of up to \$500 will be introduced for low income earners with an adjusted taxable income below \$37,000.

This will effectively mean waiving the 15% contribution tax for low income earners.

## Interested? Next steps

### STEP 1

Speak to an expert at no extra cost to find out if you're eligible for the Government co-contribution

BUSS(Q) provides members with access to financial advice about their super at no extra cost. A financial adviser can advise if you're eligible for the Government co-contribution and discuss how it might work for you. Simply call BUSS(Q) on **1800 657 216** and ask to speak with a financial adviser about your super over the phone or in person.

### STEP 2

Call BUSS(Q) on **1800 657 216** to find out how to make your lump sum contribution.

Speak to one of our friendly team who can help you choose the method of payment that best suits you.

## IMPORTANT INFORMATION

The advice supplied in this fact sheet is general advice only and does not take into account or consider your personal objectives, financial situation or needs. Before acting on this information, you should consider the appropriateness of the information to your individual needs or seek independent advice from a properly qualified professional. BUSS(Q) offers members financial advice in relation to their superannuation, at no extra cost to the member, as the cost for this advice is included in the fund's administration fees. Before acquisition of a BUSS(Q) product, a Product Disclosure Statement should be obtained. A copy of BUSS(Q)'s Financial Services Guide and Product Disclosure Statements may be downloaded from the BUSS(Q) website [www.bussq.com.au](http://www.bussq.com.au) or you can request a copy by contacting BUSS(Q) on FREECALL 1800 657 216. Licence and registration numbers for: BUSS(Queensland) Pty Ltd ABN 15 065 081 281; AFS Licence 237860; BUSS(Q) ABN 85 571 332 201.

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