

Super strategies

Make tax-deductible super contributions

By making a personal super contribution and claiming the amount as a tax deduction, you may be able to pay less tax and invest more in super.

How does the strategy work?

If you make a personal super contribution, you may be able to claim the contribution as a tax deduction and reduce your taxable income.

The contribution will generally be taxed in the fund at the concessional rate of up to 15%¹, instead of your marginal tax rate which could be up to 47%².

Depending on your circumstances, this strategy could result in a tax saving of up to 32% and enable you to increase your super.

How do you claim the deduction?

To be eligible to claim the super contribution as a tax deduction, you need to submit a valid **'Notice of Intent'** form to your super fund. You will also need to receive an acknowledgement from the super fund before you complete your tax return, start a pension, withdraw or rollover money from the fund to which you made your personal contribution.

Make sure you can utilise the deduction

It is generally not tax-effective to claim a tax deduction for an amount that reduces your assessable income below the threshold at which the 19% marginal tax rate is payable. This is because you would end up paying more tax on the super contribution than you would save from claiming the deduction.

Other key considerations

- Personal deductible contributions count towards your 'concessional contribution' cap. This cap is \$27,500 in FY 2022/23, or may be higher if you didn't contribute your full concessional contribution cap since 1 July 2018 and are eligible to make 'catch-up' contributions. Tax implications and penalties may apply if you exceed your cap.
- You can't access super until you meet certain conditions.
- If you are an employee, another way you may be able to grow your super tax-effectively is to make salary sacrifice contributions (see opposite page).

Seek advice

To find out whether you could benefit from this strategy, you should speak to a financial adviser and a registered tax agent.

¹ Individuals with income above \$250,000 in FY 2022/23 will pay an additional 15% tax on personal deductible and other concessional super contributions.

² Includes Medicare Levy.

Important information and disclaimer

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