

client alert

Government Superannuation Co-Contribution Payment

April 2009

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Certain low-income earners (including self-employed persons) may qualify for a government superannuation co-contribution payment (up to \$1,500 per annum).

The checklist below will assist in determining your eligibility for the co-contribution payment.

Question		Yes	No
1	Have you made one or more eligible personal superannuation contributions (excluding salary sacrifice amounts) to a complying superannuation fund or retirement savings account (RSA) during the income year for which no deduction will be allowed? <i>If yes, proceed to Q2. If no, you are not eligible for the co-contribution payment.</i>	<input type="checkbox"/>	<input type="checkbox"/>
2	Will you derive at least 10% of your total income, that is assessable income and reportable fringe benefits, from the carrying on of a business? Alternatively, will at least 10% of your total income attributable to activities that result in you being treated as an 'employee' for superannuation guarantee purposes? <i>If yes, proceed to Q3. If no, you are not eligible for the co-contribution payment.</i>	<input type="checkbox"/>	<input type="checkbox"/>
3	Will your total income for the income year ended 30 June 2009 exceed \$60,432? <i>If yes, you are not eligible for the co-contribution payment. If no, proceed to Q4.</i>	<input type="checkbox"/>	<input type="checkbox"/>
4	Are you aged 71 or under on 30 June of the year in which the contributions are made? <i>If yes, proceed to Q5. If no, you are not eligible for the co-contribution payment.</i>	<input type="checkbox"/>	<input type="checkbox"/>
5	Are you aged between 65 and 70 on 30 June of the year in which the contributions are made? <i>If yes, proceed to Q6. If no, proceed to Q7.</i>	<input type="checkbox"/>	<input type="checkbox"/>
6	Are you in gainful employment for at least 40 hours in a period of not more than 30 consecutive days in the year in which the contributions are made? <i>If yes, proceed, proceed to Q7. If no, you are not eligible for the co-contribution.</i>	<input type="checkbox"/>	<input type="checkbox"/>

Question		Yes	No
7	Are you a holding a temporary resident visa for the income year? <i>If yes, you are not eligible for the co-contribution payment. If no, you may be eligible for the co-contribution, subject to the lodging of your tax return for the year.</i>	<input type="checkbox"/>	<input type="checkbox"/>

Amount of Co-contribution

The amount of co-contribution is equal to 150% of the sum of eligible personal superannuation contributions up to a maximum of \$1,500 per annum for a \$1,000 personal contribution. The maximum amount is available to all qualifying persons whose total income for an income year does not exceed the lower threshold (see below). For qualifying persons whose total income exceeds the lower threshold but below the upper threshold (see below), the co-contribution tapers out at a rate of \$0.05 for each whole dollar of income.

For a self-employed individual, the total income will be reduced by amounts for which the individual is entitled to a deduction as a result of carrying on a business.

Government co-contribution for 2008/09	
Assessable income plus reportable fringe benefits (AI)	Maximum government co-contribution payment
\$0 – \$30,342	\$1,500
\$30,343 – \$60,341	$\$1,500 - ((AI - \$30,342) \times 0.05)$
\$60,342+	\$0