

FACTS ABOUT CO-CONTRIBUTIONS

What is the Co-Contribution?

The Australian Government's co-contribution legislation was introduced on 1 July 2003 and is a payment made by the Government to the superannuation account of middle and low-income earners who make personal after tax contributions to their superannuation account.

The contributions must be undeducted contributions and contributors cannot claim a tax deduction for these contributions. Contributions cannot be salary sacrifice contributions. Any payments into your superannuation fund will be preserved and can only be accessed when a condition of release is met. The Australian Taxation Office (ATO) will monitor your personal contributions and will determine whether you are entitled to an Australian Government co-contribution.

Who is entitled to a Co-Contribution?

- For 2003-04 the Australian Government will match the personal contributions of qualifying low-income earners up to a \$1,000. The maximum co-contribution of \$1,000 applies to individuals who earn up to \$27,500 or less. This co-contribution decreases eight cents for each dollar of salary above \$27,500 until it phases out at the top income of \$40,000 or more.
- From 1 July 2004 the maximum co-contribution was increased to \$1,500 to individuals on incomes of \$28,000 or less. This amount decreases by five cents for each dollar earned above \$28,000 and phases out at the top income of \$58,000 or more.
- In order to qualify for the maximum co-contribution of \$1,500, you must contribute \$1,000 from your after tax income and your assessable income and reportable fringe benefits* must be below \$28,000 or less in the financial year.

*The grossed-up value of fringe benefits supplied to employees. The reportable fringe benefits amount is noted on the employee's payment summary at the end of the financial year.

Do I need to apply?

No, you do not need to apply. The ATO will determine whether you qualify for a co-contribution from the information provided by your superannuation fund and information you provided on your Income Tax Return.

How will I receive the Co-contribution?

If you qualify, the ATO will pay the co-contributions direct into your account with your superannuation fund.

If you consider that you qualify for the co-contribution but a payment has not been made to your superannuation account, please contact the ATO.

Tax File Number

If you are eligible to receive co-contributions from the ATO but have not provided the Northern Territory Superannuation Office with your Tax File Number, the ATO will not pay you a co-contribution.

Any Further Questions?

Contact the NT Superannuation Office:

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| Phone | (08) 8901 4200 or 1800 631 630 (toll free) | Web | www.nt.gov.au/ntt/super |
| Fax | (08) 8901 4222 | Location | Enterprise House, 28-30 Knuckey Street, Darwin |
| Post | GPO Box 4675, Darwin NT 0801 | Email | ntsuperannuation@nt.gov.au |

Please also visit the ATO web site at www.ato.gov.au/super. Select the super co-contribution link under the "Super topics" heading. The ATO web site also has a calculator to work out the amount of co-contributions you may be entitled to receive at <http://www.ato.gov.au/super/scripts/contributionCalcNew.asp>.