

## NT SUPERANNUATION OFFICE

### INFORMATION BROCHURE

### CO-CONTRIBUTIONS

#### **What is the Co-Contribution?**

The Commonwealth Government's co-contribution legislation was introduced on 1 July 2003 and is a payment made by the Commonwealth Government to the superannuation account of 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 a Federal Government co-contribution.

#### **Who is Entitled to a Co-Contribution?**

- For 2003-04 the Commonwealth will match the personal contributions of qualifying low-income earners up to a \$1,000.00. The maximum co-contribution of \$1,000.00 applies to individuals who earn up to \$27,500.00 or less. This co-contribution decreases eight cents for each dollar of salary above \$27,500.00 until it phases out at the top income of \$40,000.00 or more.
- For 2004-05 the Federal Government has increased the maximum co-contribution to \$1,500.00 to individuals on incomes of \$28,000.00 or less. This amount decreases by five cents for each dollar earned above \$28,000.00 and phases out at the top income of \$58,000.00 or more.
- In order to qualify for the maximum Commonwealth co-contribution of \$1,500.00 your assessable income and reportable fringe benefits must be below \$28,000.00 or less in the financial year.

#### **Do I need to apply?**

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

### **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 that has provided the ATO with your details.

If you feel that you qualify and no co-contribution payment has been made to our superannuation account, please contact the ATO to establish why you have not received the payment.

### **Tax File Number**

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

### **Any Further Questions?**

Please follow the link to the Association of Superannuation Funds (ASFA) web site where they have a page dedicated to questions and answers regarding co-contributions. The link is [www.asfa.asn.au/super/rpm.cfm?page=contribution](http://www.asfa.asn.au/super/rpm.cfm?page=contribution)

Please also visit the ATO web site at [www.ato.gov.au/super](http://www.ato.gov.au/super). Select the co-contributions tab. The web site also has a calculator to work out the amount of co-contributions you may be entitled to receive <http://www.ato.gov.au/super/scripts/contributionCalcNew.asp>.