


Contributions Confirmation Explanatory Document

Contributing to super is a vital part of growing retirement savings. In recent years there have been various changes to contributions, primarily with the introduction of the Total Superannuation Balance (TSB) concept. The TSB is essentially the sum of an individual's superannuation accounts, and the eligibility of members to make certain types of contributions is now governed by this total balance.

The changes have also seen the addition of new categories of contributions. We have provided a summary of the categories of contributions below.



Please note that this document is prepared to be read in conjunction with, and to assist in completing, the 2025 contributions confirmation form.

Traditional Contributions Categories

Concessional Contributions

These contributions may be referred to as pre-tax contributions and largely incorporate employer and member concessional contributions. Concessional contributions are taxed at 15% within the super fund.

Employer contributions are any amounts the fund receives from an employer or related company including compulsory super guarantee contributions and salary sacrifice arrangements. Payments from a family trust are also automatically classified as employer contributions within the SMSF.

Member concessional contributions include personal contributions where the member intends to claim a personal tax deduction in their individual tax return. Always confirm with your personal tax accountant regarding eligibility to claim a tax deduction for contributions to super, as the amount claimed in the individual return must match the figure shown as a member concessional contribution in the SMSF.

Non-Concessional Contributions (NCC)

Non-concessional contributions are personal contributions made into your super fund from after-tax income. These contributions are not taxed on receipt into the SMSF and members are not eligible to claim a personal tax deduction.

Other Contributions

Other contributions may include downsizer contributions, small business CGT contributions, transfers from foreign pension schemes and other amounts received from the Australian Government including government co-contributions. With the exception of transfers from foreign super schemes these amounts do not count towards the concessional and non-concessional contribution caps.

Work Test (members age 67 and over)

Noted from 1 July 2022, if you are aged between 67 and 75 years, you do not need to meet a work test or work test exemption for your fund to accept a non-mandated contribution but you will need to meet the work test to claim personal super contribution deductions.

Total Superannuation Balance (TSB)

As highlighted earlier, Total Superannuation Balance is the sum of all superannuation accounts held by a member across all super funds. Members should be conscious of their TSB, especially at 30 June each financial year, as the contribution caps can be more restrictive or lenient based on how much is held across all superannuation funds. The following are examples of where the contribution caps may be different depending on your circumstances due to your TSB.

Carry forward concessional contributions

From 1 July 2019, individuals who did not fully utilise their concessional contribution cap in earlier financial years may be entitled to contribute more than the general concessional contributions cap (currently \$30,000 for 2024/25). Criteria include having a TSB of less than \$500,000 on 30 June of the previous financial year, and of course having unused contributions from earlier financial years.

The first year you were entitled to carry forward unused amounts was the 2019/20 financial year. Unused amounts are available for a maximum of five years, and after this period will expire.

Non-concessional contributions cap and the bring forward

The non-concessional cap for the 2024/25 financial year is \$120,000. Individuals with a TSB in excess of the general transfer balance cap of \$1,900,000 at 30 June 2024 are not eligible to make non-concessional contributions for the 2024/25 financial year (note the general transfer balance cap was increased to \$2,000,000 on 1 July 2025 and will impact contributions for the 2025/26 financial year).

The ability to use the bring-forward rule is also restricted for individuals, who are under the age of 75 with a balance between \$1,660,000 and \$1,780,000 at 30 June 2024. If you are considering making non-concessional contributions it is vital that you consider your total superannuation balance, and we can assist with confirming that figure for you.

Government co-contributions

In addition to the existing eligibility requirements, you will be eligible for the government co-contributions in a financial year if:

- Your non-concessional contributions do not exceed your non-concessional contributions cap for that financial year; or
- On 30 June of the previous financial year, your Total Superannuation Balance was less than the general transfer balance cap. For the 2024/25 financial year this was \$1,900,000 and was indexed to \$2,000,000 for the 2025/26 financial year.

Spouse tax offset

From 1 July 2017, there are additional eligibility requirements to be entitled to the spouse tax offset. The spouse receiving the contributions cannot contribute more than their non-concessional contributions cap for the relevant year and must have a TSB less than the general transfer balance cap immediately before the start of the financial year in which the contribution was made. For the 2024/25 financial year this was \$1,900,000 and was indexed to \$2,000,000 for the 2025/26 financial year.

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