



## Guide To...

### Non Concessional Contributions

#### ***What are “Non Concessional Contributions”?***

Non Concessional Contributions are contributions that are made to a superannuation fund by an individual for which no tax deductions are allowable. The following contributions are examples of Non Concessional Contributions:

- Personal contributions made by an individual aged under 65.
- Personal contributions made by employees who receive employer superannuation support.
- Contributions made by self-employed individuals which are above their tax-deductible limit.
- Contributions made by an individual to their spouse’s superannuation account.

#### ***Advantages of Non Concessional Contributions***

Although you will not receive a tax deduction, there are several advantages in making Non Concessional Contributions:

- Non Concessional Contributions are not subject to the 15% “contribution tax” that applies to tax deductible contributions when they enter the superannuation environment. Investment earnings on your Non Concessional Contributions will, however, be taxed concessional at a maximum rate of 15%.
- Non Concessional Contributions are returned tax-free when the benefit is taken as a lump sum.

#### ***Withdrawing Non Concessional Contributions***

In some cases, Non Concessional Contributions / undeducted made prior to 1 July 1999 may be withdrawn when you cease employment. Contributions made by self employed persons or contributions made since 30 June 1999, however, are generally only accessible when you retire from the workforce on or after your earliest retirement age, currently age 55. If you were born after 30 June 1960 your earliest retirement age will be greater than age 55, up to a maximum of age 60 for those born on or after 1 July 1964.

Your financial planner can explain to you all the possible advantages and tax implications of using undeducted contribution strategies.

*If you have any queries in relation to the content of this material, please do not hesitate to contact Kate Kimmorley the Principal Financial Adviser at Kimmorley Financial Management on (07) 5591 1725.*

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