

# Government Co-contributions scheme

The Government Co-contributions (Co-contribution) scheme was introduced to encourage and boost the superannuation (super) savings of Australians. Eligible individuals can have their personal contributions matched by up to 100 per cent. Employees, the self-employed and small business owners may all qualify for the Co-contribution. To be entitled to receive this Co-contribution, at least 10 per cent of your total income<sup>1</sup> must relate to employment or business income.

A maximum Co-contribution of \$1,000 applies where your total income is less than \$31,920. The Co-contribution reduces for incomes over this threshold and ceases for incomes above \$61,920.

## Eligibility

You will be eligible to receive a Co-contribution for this financial year if:

- your total income is less than \$61,920;
- you make personal after-tax super contributions to your fund by 30 June;
- you earn at least 10 per cent of your total income from paid employment, carrying on a business or both;
- you lodge an income tax return for the financial year;
- you are less than 71 years of age at the end of the financial year; and
- you do not hold a temporary resident visa at any time during the year

## How can I receive the Co-contribution payment?

If you are eligible, you automatically receive a Co-contribution payment calculated on your income and the amount of your contribution.

You simply need to make a personal contribution into your super account by BPAY®, direct debit or cheque before the end of the financial year. Postal and BPAY® delays can occur at this time, so take care not to leave making your contribution until the last minute.

The Government will pay the Co-contribution automatically to the fund and it will be credited to your super account after the Australian Taxation Office (ATO) has processed your tax return for the relevant financial year.

The ATO will send you a letter with details about your Co-contribution payment and your annual IOOF Member Statement will confirm the payment into your nominated super account.

## How much do I need to contribute to get the maximum Co-contribution for my income?

| Income   | Personal (after-tax) contribution required to obtain maximum Co-contribution | Government Co-contribution (2011/2012) |
|----------|--|--|
| \$31,920 | \$1,000  | \$1,000                                |
| \$36,920 | \$833  | \$833                                  |
| \$41,920 | \$667  | \$667                                  |
| \$46,920 | \$500  | \$500                                  |
| \$51,920 | \$333  | \$333                                  |
| \$56,920 | \$167  | \$167                                  |
| \$61,920 | \$0  | \$0                                    |

**Note:** From 1 July 2009 your total income, as assessed for the Co-contribution, will include any amount you have salary sacrificed in that financial year.

New legislation has been proposed which may affect the 2012/13 Co-contribution levels. Contact us for more information as to what the new levels are and when they could affect you

<sup>1</sup> Total income = assessable income plus reportable super contributions and reportable fringe benefits

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## How do I make contributions to my super account?

|   | IOOF Portfolio Service   | LifeTrack   |
|---|--|---|
| <b>By Cheque</b> – Made payable to:   | <b>IOOF IPS [Your name and/or your Account Number]</b>   | <b>IOOF LifeTrack [Your name and/or your Account Number]</b>  |
| <b>BPAY® – A convenient way to make one-off or regular contributions into your account.</b> (No minimum transaction amount)   | <b>Biller Code:</b> Personal Contributions – 172320<br><b>Ref:</b> [Your Customer Reference Number] <sup>2</sup>   | <b>Biller Code:</b> Personal Contributions – 94458<br><b>Ref:</b> [Your Customer Reference Number] <sup>2</sup> |
| <b>Direct debit</b> – You can set up a Regular Contribution Plan – download a Direct Debit Request form from <a href="http://www.ioof.com.au">www.ioof.com.au</a> or contact Client Services. | Minimum is \$1,200 per annum   | Minimum is \$50 per debit   |
| Payroll deduction   | By agreement with your employer, personal and spouse contributions may be deducted from your after-tax pay and forwarded to the fund. These payments can be made by cheque, BPAY® or direct debit (see above). |   |
| Salary Sacrifice  | Speak to your employer about making this arrangement.  |   |

## Where to go for more information?

Seeking expert advice from a financial adviser could be the solution to help you reach your financial objectives. A financial adviser can help you reach your lifestyle goals; manage debt; budget efficiently; and plan towards retirement. Before you make any investment decision, we recommend you seek advice from a qualified financial adviser.

If you have any questions about your IOOF super account or about any super strategies, please speak with your financial adviser. Alternatively, IOOF has a dedicated Client Services team available to speak with you Monday to Friday between 8:30am – 6:00pm. You can phone us on 1800 062 963 for personal super members or 1800 653 894 for employer and corporate super members or email [clientservices@ioof.com.au](mailto:clientservices@ioof.com.au)

<sup>2</sup> A CRN will be allocated to you upon joining the fund, and will be communicated to you in your Welcome Letter.