

Order in which voluntary contributions are counted

April 2018

The legislation supporting the FHSS Scheme has included contribution priority rules. The effect of these rules is to maximise the amount of the FHSS release amount.

The ordering rules are:

- contributions are counted in the date order in which they are made to a superannuation fund;
- if concessional and non-concessional contributions are made on the same day, the non-concessional contributions are counted first; and
- in applying the \$15,000 per year cap and the \$30,000 cap, 85% of concessional contributions are counted.

Example: John - sole trader

In respect of 2018/19 John makes a \$20,000 concessional contribution. John, as a sole trader, has no employer superannuation.

Gross concessional contributions	\$20,000
Net contributions	\$17,000 (net of 15% tax)
Contributions counted for FHSS purposes	\$15,000 (capped at this figure)

Example: Mary - employee

In respect of 2018/19 financial year, the following contributions are made by or for Mary

Mary's employer	\$9,500 of SG contributions (made throughout the year)
Mary's employer	\$18,000 of salary sacrifice contributions on 20 June 2019
Mary	\$10,000 of non-concessional contributions Contribution made on 1 November 2018

None of the SG contributions count for FHSS Scheme purposes - as these are not voluntary contributions.

The \$10,000 of non-concessional contributions are counted first (as they are made first in time).

Of the salary sacrifice contributions - only \$15,500 of the \$18,000 concessional contributions are treated as being potentially eligible FHSS Scheme contributions (as the excess of \$2,500 is treated as excess concessional contributions).

As only the first \$15,000 of voluntary contributions can be counted - the remaining FHSS cap space is \$5,000. Consequently, the first \$5,000 of the salary sacrifice contributions are counted.

The non-excess concessional contributions not counted - being \$10,000 - are disregarded for FHSS Scheme purposes. Further, they cannot affect the FHSS contributions for the next financial year.

For more information on any aspect covered in this article, please call SUPERCentral on 02 8296 6266 or email info@supercentral.com.au.