

What are the issues to consider when using the FHSS Scheme?

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The first issue is that both members of a couple can each use the scheme in their own right. Consequently, a couple could have \$60,000 of voluntary contributions, plus associated earnings as their total release amount. However, each member of the couple must be eligible in their own right and each must separately make a FHSS determination request.

The second issue is that once a super member has accessed the scheme (by requesting a FHSS release authority) they cannot have a second access. The scheme is a once-only use scheme.

The third issue is that there is likely to be considerable time gap between an eligible voluntary contribution being made to a superannuation fund and the ATO being advised of that contribution. Consequently, once a super member considers they have exhausted the eligible FHSS contribution cap of \$30,000, it may be prudent to allow sufficient time for the contributions to be reported to the ATO before acting upon a FHSS determination.

The fourth issue is that there is no limit to the associated earnings. So, the longer the deferral period before acting upon a FHSS determination, the greater the associated earnings component will be.

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