

What are COVID-19 re-contributions?

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They are superannuation contributions which are a return to the superannuation system of a COVID-19 release amount. They are new personal superannuation contributions which have been identified by you as being COVID-19 re-contributions.

An individual can only make a COVID-19 re-contribution if they have previously been paid one or more COVID-19 early release amounts. Further, the total of the COVID-19 re-contributions cannot exceed the total of your COVID-19 early release amounts.

There is no obligation to make COVID-19 re-contributions.

Further, there is no requirement that the COVID-19 re-contributions be sourced from the actual COVID-19 early release amounts. Additionally there is no requirement that the COVID-19 re-contributions must be made to the super fund which paid the COVID-19 early release amounts.

If you wish to make COVID-19 re-contributions, then the contributions must be made before 30 June 2030 (this cut-off date is set out in the relevant legislation).

What has SUPERCentral done in relation to COVID-19 re-contributions?

The SUPERCentral Governing Rules have been amended (effective date 17 February 2022) to expressly permit the member to make and the trustee to receive COVID-19 re-contributions (Rule 14.2(f)).

What is the super & tax treatment of COVID-19 re-contributions?

They are treated as personal contributions. No tax deduction can be claimed for them. Consequently, they will form part of the tax-free component of any future superannuation lump sum or pension payment.

Most importantly, they will not be counted against your non-concessional contributions cap and, consequently, they cannot be treated as excess non-concessional contributions.

What are the rules about COVID-19 re-contributions?

There are a number of rules relating to COVID-19 re-contributions; namely:

- As they are personal contributions, they must be made before you attain age 67 or, if made after you attain age 67, you must have satisfied the work test at the time they have been made.
- You cannot make re-contributions once you have attained age 75.
- You can make one or more re-contributions as long as the total does not exceed the total of the COVID-19 early release amounts.
- You can make re-contributions to any complying superannuation fund - they do not have to be paid to the superannuation fund which paid you the COVID-19 early release amounts.
- You have to give to the trustee of the fund to which the re-contributions are made an ATO form (or equivalent acceptable form)
- You cannot claim a tax deduction for the re-contributions
- Re-contributions will be preserved within the super system so, in general, until you attain age 65, are retired for super purposes or commence a transition to retirement pension, you will not be able to access the contributions

What are the technical details?

The first technical detail is the legislation permitting COVID-19 re-contributions is Schedule 3 of the Treasury Laws Amendment (More Flexible Superannuation) Act 2021, No 45 of 2021.

The ATO form is "Notice of refund contribution of COVID-19 early release amounts" Ref NAT 75394.

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