



Federal Government Co-contribution scheme

Simply make a voluntary after-tax payment into your super and you could receive up to \$1,000 tax-free

What is the co-contribution?

The co-contribution scheme was introduced by the Australian Government to help boost the retirement savings of people earning lower incomes.

If you are employed and earning less than \$61,920 per year and you put money into your HIP account by making personal contributions, the Australian Government will match your contribution.

Who is eligible for the co-contribution?

You may be able to receive the co-contribution if you:

- make personal contributions to your super account (this is on top of your employer contributions and does not include salary sacrifice contributions)
- are employed full-time, part-time or casually
- earn less than \$61,920 a year
- are less than 71 years of age at the end of the year of income
- you do not hold an eligible temporary visa during the year.

How the co-contribution works

- If you earn less than \$31,920 a year, the Government will make personal super contributions, up to a maximum of \$1,000 a year.
- If you earn more than \$31,920 but less than \$61,920 a year, your co-contribution will reduce based on your income and how much you contribute.
- If you earn more than \$61,920 you are not able to receive the co-contribution.

How do I get the co-contribution?

If you are eligible to receive the co-contribution and have been making personal contributions to HIP, you will receive the co-contribution after the end of each financial year. Once you lodge your tax return, the Australian Tax Office (ATO) will calculate how much co-contribution you will receive. HIP is required to report all personal contribution details to the ATO.

How do I make personal contributions to HIP?

To take advantage of the co-contribution scheme you need to make personal contributions to your HIP account before the end of the financial year. Remember to allow sufficient time for monies to be received and processed by HIP before June 30. To make personal contributions you can:

1. Ask your employer to automatically deduct some of your **after-tax pay** into your HIP Super account.

- Send your regular or once-off contribution via cheque, direct to HIP Super. Phone HIP Super on **1300 654 099** to order a deposit book.

How can I get the co-contribution paid into my HIP account?

The co-contribution will be paid into the superannuation fund of your choice. The amount adds to your superannuation savings and will not be paid into a bank account.

Is the co-contribution taxed?

The co-contribution is primarily tax-free. You do not pay the 15% contribution tax when the amount is paid into your account. And when you retire, the co-contribution amount is tax-free. What you earn on this amount will be taxed. Your personal contributions are taxed in the usual way. It is also important to note that you are not entitled to claim a tax deduction for your personal contributions if you are receiving the co-contribution.

The table shows how much the Government will give to your super account, based on your income. Please note this table is only a guide. This amount includes your assessable income and any reportable fringe benefits.

	To your HIP Super account:	
Your income*	Your after tax contribution	Maximum Government Co-contribution
\$31,920 or less	\$1,000	\$1,000
\$36,920	\$834	\$834
\$41,920	\$667	\$667
\$46,920	\$500	\$500
\$51,920	\$333	\$333
\$56,920	\$168	\$168
\$61,920	\$0	\$0

***Gross annual income including assessable income and any reportable fringe benefits**

For more information visit www.ato.gov.au/super or phone HIP on 1300 654 099

*Important: This information is of a general nature only. It does not take into account your particular financial needs, objectives or circumstances.

You should assess your own financial situation and read HIP's Member Information booklet – Product Disclosure Statement (PDS) before making a decision about investing your superannuation. You may need to seek professional advice from a qualified financial planner.

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