



Super co-contribution

- <https://www.ato.gov.au/Individuals/Super/In-detail/Growing-your-super/Super-co-contribution/>
- Last modified: 19 May 2022
- QC 17469

Super co-contribution

Super co-contributions help eligible people boost their retirement savings.

If you're a low or middle-income earner and make personal (after-tax) contributions to your super fund, the government may also make a contribution (called a co-contribution) up to a maximum amount of \$500.

The amount of government co-contribution you receive depends on your income and how much you contribute.

You don't need to apply for the super co-contribution. When you lodge your tax return, we will work out if you're eligible. If the super fund has your tax file number (TFN) we will pay it to your super account automatically.

The way your co-contribution is calculated depends on the financial year in which you made your personal super contributions.

Find out about

- [Eligibility for the super co-contribution](#)
- [Making personal super contributions](#)
- [Calculating your super co-contribution](#)
- [Receiving the super co-contribution](#)
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Eligibility for the super co-contribution

- <https://www.ato.gov.au/Individuals/Super/In-detail/Growing-your-super/Super-co-contribution/?page=2>
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We will determine if you have met the criteria for the government super co-contribution after you have lodged your tax return. To be eligible you must:

- have made one or more eligible personal super contributions to your super account during the financial year
- pass the two income tests (income threshold and 10% eligible income tests)
- be less than 71 years old at the end of the financial year
- not hold a temporary visa at any time during the financial year (unless you are a New Zealand citizen or it was a prescribed visa)
- lodge your tax return for the relevant financial year
- have a [total superannuation balance](#) less than the [general transfer balance cap](#) at the end of 30 June of the previous financial year
- not have contributed more than your [non-concessional contributions cap](#).

You are not entitled to a super co-contribution for any personal contributions you have made that have been allowed as a tax deduction (see [Claiming deductions for personal super contributions](#)).

Income threshold test

To receive the co-contribution, your total income must be less than the higher income threshold for that financial year.

Your total income

For the purpose of this test your total income for the financial year is:

- the total of your
 - assessable income
 - reportable fringe benefits total (RFBT)
 - total reportable employer super contributions reduced (but not below zero) by any excess concessional contributions
- minus your
 - assessable first home super saver released amount
 - allowable business deductions.

If you are carrying on a business, you may have a high turnover but still be eligible for the super co-contribution due to your allowable business deductions.

Income thresholds

If your total income is equal to or less than the lower [threshold](#) and you make personal contributions of \$1,000 to your super account, you will receive the maximum [co-contribution](#) of \$500.

You will not receive any co-contribution if your income is equal to or greater than the higher threshold.

If your total income is between the two thresholds, your maximum entitlement will reduce progressively as your income rises. If your co-contribution is less than \$20, we will pay the minimum amount of \$20.

10% eligible income test

To satisfy this test, 10% or more of your total income must come from either:

- employment-related activities
- carrying on a business
- a combination of both.

Amounts from these sources are referred to as eligible income amounts.

For this test, your total income is not reduced by your allowable business deductions. This is to ensure self-employed individuals are not disadvantaged if they have low income or low profit margins in a financial year.

Examples of eligible income

Working out the exact total income and eligible income may be complex, depending on your circumstances. You may need to seek professional advice to assist you.

Generally, income that is related to employment or business is eligible income – for example:

- salary and wages
- business income earned as a sole trader or in a partnership
- director fees.

The following types of income are not eligible income for super co-contribution purposes:

- non-business partnership distributions
- distributions from a trust
- income from individually or jointly held assets, such as interest, rent and dividends
- income related to another year of employment, such as employment termination payments and lump sum payments.

Next step

- If you have questions about eligibility for the super co-contribution, ask our [Community](#)^{EQ} for help.

Making personal super contributions

- <https://www.ato.gov.au/Individuals/Super/In-detail/Growing-your-super/Super-co-contribution/?page=3>
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Personal super contributions are the amounts you contribute to your super fund from your after-tax income (that is, from your take-home pay). These contributions:

- are in addition to any compulsory super contributions your employer makes on your behalf
- do not include super contributions made through a salary-sacrifice arrangement.

To be eligible for the super co-contribution, your personal contributions need to be paid to a complying super fund. However, personal contribution amounts claimed (and allowed) as an income tax deduction will not be eligible for the co-contribution.

How to make personal super contributions

You do not need to make your personal contributions as a single lump sum – you can make payments throughout the financial year. We use the total amount you have contributed for the year to calculate the co-contribution.

Your super fund can tell you how to make personal contributions. Most funds offer you a number of options including:

- BPAY®
- direct debit
- through your bank account.

In some cases, you can make regular super contributions into your super account directly from your after-tax pay. If the contributions come from your before-tax pay, they are generally referred to as [salary-sacrificed contributions](#) and will not qualify for the super co-contribution.

Your super fund needs your TFN before it can accept your personal contributions.

Your personal contributions must reach your super fund by 30 June each year for you to receive a government co-contribution for that financial year.

Super co-contribution amounts

The table below shows examples of what your co-contribution amount would be in 2020–21, depending on your income level and your personal super contribution for the year.

Contributions made in the 2020–21 income year

Income	Personal super contribution of	Personal super contribution of	Personal super contribution of	Personal super contribution of
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	\$1,000	\$800	\$500	\$200
\$39,837 or less	\$500	\$400	\$250	\$100
\$42,837	\$400	\$400	\$250	\$100
\$45,837	\$300	\$300	\$250	\$100
\$48,837	\$200	\$200	\$200	\$100
\$51,837	\$100	\$100	\$100	\$100
\$54,837 or more	\$0	\$0	\$0	\$0

Calculating your super co-contribution

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The minimum co-contribution payment is \$20. Payment amounts are rounded up to the nearest multiple of five cents.

The way your co-contribution is calculated depends on which financial year you made your personal super contributions.

You can use our [super co-contribution calculator](#) to estimate your co-contribution entitlement and eligibility.

Example

In the current financial year, Angelo will earn \$35,000. He pays \$40 per fortnight from his take-home pay into his super account. This will total \$1,040 for the financial year. He meets all other co-contribution eligibility requirements.

With this payment plan, Angelo will be eligible for the maximum co-contribution of \$500.

We will pay this amount into Angelo's super account.

Receiving the super co-contribution

- <https://www.ato.gov.au/Individuals/Super/In-detail/Growing-your-super/Super-co-contribution/?page=5>
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When you lodge your tax return, we determine the co-contribution amount you are entitled to and pay it to your super fund.

In most cases, we pay your co-contribution directly to the super fund to which you made your personal super contributions.

Co-contributions can be paid directly to you if:

- you have retired (either by reaching preservation age or due to permanent incapacity or invalidity) and no longer have an eligible super account
- you are the legal representative of the account holder, who is deceased.

The preservation rules that apply to your current super entitlements also apply to the co-contribution.

If you have made a direct claim but have not yet received your super co-contribution and you are suffering hardship as a result of the delay, phone us on 13 10 20 to discuss your circumstances.

On this page

- [Government super contribution labels in your tax return](#)
- [If you have more than one super fund](#)
- [Requesting a direct payment](#)
- [When we pay the co-contribution](#)
- [Super co-contribution and tax](#)

Government super contribution labels in your tax return

When we calculate your super co-contribution, we use your tax return to work out your total income and eligible income. We use the Government super contributions labels in your tax return to ensure you receive your correct co-contribution amount.

In some cases, we need additional information to calculate your co-contribution. For example, if you show partnership distributions at item 13, we will not treat them as eligible income under the [10% eligible income test](#) unless you tell us otherwise by completing the Government super contributions labels.

If you do not earn any income from partnerships, trusts or a shared income group, you will not need to complete the additional labels or associated worksheets.

It is not compulsory for you to complete the Government super contribution labels but, if they are not completed, you may not receive your correct co-contribution payment.

If you have more than one super fund

You'll need to nominate a super fund if you have more than one fund and you want your co-contribution paid to a particular fund. The quickest way to do this is by using our online services. You'll need a myGov account linked to the ATO.

To link the ATO to your myGov account and to find and nominate your preferred fund for your co-contribution:

- log in or create a [myGov](#) account
- link your myGov account to the ATO
- select Super
- find and nominate your preferred fund for co-contributions.

Note: If you can't use our online services you can [phone us](#).

It is important to nominate the fund before you lodge your tax return. This will ensure the super co-contribution is paid to the fund of your choice.

When choosing a super fund, it is a good idea to check whether it accepts both personal and super co-contributions, so you can boost your super savings in the future.

Requesting a direct payment

You can request a direct payment if you:

- are now retired and no longer have an eligible super account that will accept the co-contribution
- were retired but have returned to work and do not have an eligible super account
- are the legal representative of the account holder, who is deceased.

To request a direct payment, you can:

- use [myGov](#) to lodge the request online
- complete an [Application for payment of ATO-held superannuation money](#) (NAT 74880).

When we pay the co-contribution

We make most super co-contribution payments between November and January each year. This relates to personal contributions made in the previous financial year.

When your fund receives the co-contribution, it will credit the amount to your account. The amount will then appear on your next fund member statement.

If the payment is not shown on your next fund member statement or is different to the amount you expected, phone us on 13 10 20.

After phoning us, if you still have concerns, you can write to us and request an

explanation or review.

If your fund cannot accept your co-contribution payment they are required to return it to us. This could happen if the fund does not have your TFN or the fund's trust deed states it cannot accept co-contributions.

We will then determine where to send the payment, based on legislative requirements. As part of this process, we may ask you which fund to send the contribution to.

Super co-contribution and tax

The super co-contribution is:

- not subject to tax when it is paid to your super fund
- not included as income in your tax return
- preserved in a super fund and can only be accessed when other preserved amounts can be accessed – that is, when a condition of release has been met.

Earnings on the super co-contribution will be taxed like any other earnings of the super fund.

If you haven't received your payment

- <https://www.ato.gov.au/Individuals/Super/In-detail/Growing-your-super/Super-co-contribution/?page=6>
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If you think you are entitled to receive a co-contribution payment but it has not been made, check that you've met all of the eligibility criteria (see [Eligibility for super co-contribution](#)).

If you still think you were eligible for a co-contribution, you can:

- phone us on 13 10 20 to ask why your co-contribution has not been paid
- request an explanation or a review of the decision by writing to us at
Superannuation
Australian Taxation Office
PO Box 3100
PENRITH NSW 2740

Interest on delayed payments

If we are unable to make your co-contribution payment within 60 days of receiving all the required information, we will pay interest to compensate you for the delay.

Interest is calculated daily using the 'base interest rate' for the day. It is applied from

the day the co-contribution was due to be made (60 days from us receiving all of the required information) to the date it is paid.

If you have any questions about the way your interest has been calculated, you can write to us at the above address.

Our commitment to you

We are committed to providing you with accurate, consistent and clear information to help you understand your rights and entitlements and meet your obligations.

If you follow our information and it turns out to be incorrect, or it is misleading and you make a mistake as a result, we will take that into account when determining what action, if any, we should take.

Some of the information on this website applies to a specific financial year. This is clearly marked. Make sure you have the information for the right year before making decisions based on that information.

If you feel that our information does not fully cover your circumstances, or you are unsure how it applies to you, contact us or seek professional advice.

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