

Budget Changes Update – 1 July 2022

As part of the 2021-22 and 2022-23 Budgets the government announced several changes to superannuation which will come into effect on 1 July 2022, and which members should be aware of.

Repealing the work test for voluntary super contributions

Currently, if you are aged 67 to 74 years old you can only make or receive voluntary contributions (both concessional and non-concessional) to your superannuation if you meet the work test. That is, you must work at least 40 hours over a 30-day period in the relevant financial year.

From 1 July 2022 this requirement is being removed except for individuals wishing to claim a personal superannuation contribution deduction.

You may also be able to use the bring forward rule.

Note: you may still need to meet the work test to claim a personal superannuation contribution deduction.

For more information see the ATO website on [Repealing the work test for voluntary super contributions](#).

Eligibility changes to the bring forward arrangements

Non-concessional contributions are:

- from your after-tax income
- not taxed in your super fund.

From 1 July 2021, the non-concessional contributions cap is \$110,000. If you contribute more, you may have to pay extra tax.

Your own cap might be different. It can be:

- higher, if you can use the bring-forward arrangements
- nil, if your total super balance is greater than or equal to the general transfer balance cap (\$1.6 million from 2017–21; \$1.7 million from 2021–22).

Bring Forward Arrangements

If you make contributions above the annual non-concessional contributions cap you may be eligible to automatically gain access to future year caps. This is known as the bring-forward arrangement. It allows you to make extra non-concessional contributions without having to pay extra tax.

Eligibility for the bring-forward arrangement depends on your:

- age
- total super balance on 30 June of the previous financial year.

From 1 July 2022, if you are under 75 years of age at any time in a financial year (previously 67 years of age) you may be able to make non-concessional contributions of up to three times the annual non-concessional cap in that financial year.

For more information see the ATO website on [Bring forward arrangements](#).

Extending Access to Downsizer Contributions

If you have reached the eligible age, you may be able to contribute up to \$300,000 from the proceeds of the sale (or part sale) of your home into your superannuation fund.

From 1 July 2022 the eligible age is 60 years old or older. Prior to this it was 65 years old or older.

For more information on [Downsizing contributions into superannuation](#) see the ATO website.

Increasing the First Home Super Saver Maximum

The first home super saver (FHSS) scheme allows you to save money for your first home inside your super fund. This can help first home buyers save faster with the concessional tax treatment of superannuation.

From 1 July 2017, you can make voluntary concessional (before-tax) and voluntary non-concessional (after-tax) contributions into your super fund to save for your first home.

From 1 July 2018, you can then apply to release your voluntary contributions, along with associated earnings, to help you purchase your first home. You must meet the eligibility requirements to apply for the release of these amounts.

You can use this scheme if you are a first home buyer and both of the following apply:

You will occupy the premises you buy, or intend to as soon as practicable.

You intend to occupy the property for at least six months within the first 12 months you own it, after it is practical to move in.

You can currently apply to have a maximum of \$15,000 of your voluntary contributions from any one financial year included in your eligible contributions to be released under the FHSS scheme, up to a total of \$30,000 contributions across all years. You will also receive an amount of earnings that relate to those contributions.

From 1 July 2022, the amount of eligible contributions that can count towards your maximum releasable amount across all years will increase from \$30,000 to \$50,000. The amount of eligible contributions that can count towards your FHSS maximum releasable amount for each financial year will remain at \$15,000.

For more information on the [First home super saver scheme](#).

Removing the \$450 per month threshold for super guarantee eligibility

Before 1 July 2022 members had to earn \$450 per month before being considered eligible for superannuation guarantee payments from their employer into their superannuation fund.

From 1 July 2022, employers will be required to make super guarantee contributions to their eligible employee's super fund regardless of how much the employee is paid (i.e. removal of the \$450 per month threshold). Employees must still satisfy other super guarantee eligibility requirements.

You should speak to your employer for more information or visit [Removing the \\$450 per month threshold for super guarantee eligibility](#).

Increase in the superannuation guarantee from 10 per cent to 10.5 per cent

From 1 July 2022 the superannuation guarantee will increase from 10 per cent to 10.5 per cent. This should be done automatically by your employer.

You should speak to your employer for more information or visit [Super guarantee percentage](#).

Financial assistance for NSW police officers regarding excess super contributions

The Australian Government is providing transitional funding for the equal sharing of the costs of reimbursing New South Wales police officers who incur an additional tax liability from making voluntary superannuation contributions that exceed the statutory cap on concessional contributions.

Funding covers liabilities incurred from 2016-17 to 2019-20 with reimbursements made in arrears over a five-year period. The funding will also contribute to the cost-sharing of any fringe benefits tax that results from reimbursing police officers in these situations.

Contact

For any assistance, please contact us via Live Chat through our website www.superhero.com.au or email at hello@superhero.com.au.

The information in this document is general information only. It has been prepared without taking account of your personal circumstances, financial situation or needs. You should consider the disclosure documents, and obtain appropriate financial and taxation advice, before deciding whether Superhero Super is right for you. This document is provided by and authorised for distribution by Diversa Trustees Ltd ABN 49 006 421 638, AFSL 235153, who acts as the Trustee of Superhero Super. Superhero Super is a sub-plan of OneSuper ABN 43 905 581 638 RSE R1001341 (the Plan).