AMIST SUPER
YOUR MEAT INDUSTRY FUND

Contributions

Various types of contributions can be made to AMIST Super, including compulsory Superannuation Guarantee contributions, or salary sacrifice contributions by your employer, personal after-tax contributions, Government Co-contributions, as well as contributions made on your behalf by your spouse or another family member.

However, there are certain limits (or caps) on the amount of contributions that can be made, as well as other rules associated with making contributions to super.

Employer contributions

Contributions made for you by an employer (including salary sacrifice) are known as "concessional contributions". These are contributions where the party making the contribution is allowed to claim a tax deduction for those contributions. However, there are limits to these types of contributions.

Concessional contribution cap

From 1 July 2017 the concessional contributions cap is $25,000 irrespective of a person's age.

Prior to 1 July 2017 a higher cap of $35,000 was available to people aged 49 years or older.

Please note: the assessment is based on the contributions actually received by superannuation funds during the financial year 1 July to 30 June. Superannuation funds are required to report to the ATO all contributions received during that period. For example, if your employer remits contributions to AMIST Super for the month of June 2019 after 30 June 2019 (by law they are not required to pay for the June quarter until 28 July 2019) then those contributions will be reported as at the date received and count towards your 2019/20 concessional contributions cap.

* Limits are correct for the 2019/20 financial year after which the government has indicated that the thresholds may be indexed. The limits are published on the Australian Taxation website (www.ato.gov.au) under "Concessional contributions cap." Or you can contact the ATO on telephone 13 10 20.

Future carry-forward of unused concessional contributions

From 1 July 2018 if a person has not made concessional contributions up to their limit they may carry forward the unused amount for up to five years. This provision is subject to having less than $500,000 in total superannuation across all funds.

The first year in which this option will be available will be the 2019-2020 financial year.

What happens if the concessional contributions cap is exceeded?

Contributions that are within the cap are taxed at a rate of 15% when they are received by a superannuation fund.

If you contribute an amount greater than the cap that applies to your age, you will be taxed at your personal marginal tax rate (plus Medicare levy). From 1 July 2013 you can withdraw any excess contributions but they too will be taxed at your personal marginal tax rate (plus Medicare levy).

The Australian Taxation Office (www.ato.gov.au or 13 10 20) can give you more details.

Members with Income of 250,000 or more

If your income is $250,000 per year or more from the year ending 30 June 2018, then the contributions tax applicable on concessional contributions is 30%. Prior to 1 July 2017 the additional tax was only applied where income was $300,000 or more.

The definition of income for the purposes of this measure includes taxable income, concessional superannuation contributions and a number of other matters.

AMIST Super will initially deduct taxation at a rate of 15%. Following the submission of your tax return, if your income is $250,000 or higher the ATO will provide you with a Division 293 Tax Assessment notice. You may either make payment directly to the ATO, have the Division 293 tax liability deducted from your superannuation, or a combination of the two.

The ATO will provide you with a release authority that you can send to your superannuation fund to authorise the release of funds to the ATO to meet the Division 293 tax liability. You may request the release of any amount up to the Division 293 liability.

Salary sacrifice

Salary sacrifice is where you and your employer agree that part of your salary will be paid by your employer to your superannuation fund. This could mean that you pay less tax than if you receive your full salary as wages because your taxable income will be lower.

You should note that some employers do not allow salary sacrifice, and others put conditions on employees being able to salary sacrifice.

For example, an employer may allow you to salary sacrifice and reduce your taxable income, but you may then have your Superannuation Guarantee and other entitlements based on this new, lower income. Please check with your employer if you are thinking about making contributions to AMIST Super via salary sacrifice.

You should also be aware that the Federal Government income tests treat salary sacrificed amounts as income for the purpose of determining eligibility for support payments and the co-contribution.

Table showing the effect of Salary Sacrifice Contributions

	Without salary sacrifice	With salary sacrifice
Total salary	$60,000	$60,000
Contribution to super - Salary sacrifice amount	NIL	$13,224
Contribution to super from after-tax income	$8,500	NIL
Taxable income	$60,000	$46,776
Personal income tax payable*	$11,617	$6,893
Superannuation contributions tax**	NIL	$1,984
Total tax payable	$11,617	$8,877
After-tax amount to superannuation (not including employer's SG contribution)	$8,500	$13,224
Disposable income (after voluntary superannuation contribution)	$39,883	$39,883

The example here looks at a member whose salary is $60,000, and shows the difference between making an $8,500 contribution from after-tax salary, as opposed to salary sacrifice. It does not take into account the effect of Superannuation Guarantee contributions. It shows that there is a potential superannuation savings increase of $2,740 after contributions tax.

* Personal Income Tax based on 2019/20 taxation rates including Medicare Levy of 2.0% and Low and Middle Income Tax Offset.

** Superannuation contributions tax at a rate of 15% on salary sacrificed contributions only. The actual rate paid may be lower as administration fees and insurance premiums are deductible. Members with income exceeding $250,000 may be taxed at up to 30%.

The example above is based solely on the information shown and is for illustration purposes only. It is recommended that you discuss with your employer how entering into a salary sacrifice arrangement will affect the amount of income and superannuation that you receive. You should also consider consulting an independent qualified financial adviser.

Personal contributions

Personal after-tax contributions are known as non-concessional contributions. These contributions are not subject to taxation within a superannuation fund unless you claim a tax deduction against them (see "Claiming a tax deduction" below).

From 1 July 2017 the limit on non-concessional contributions for most people is $100,000 per annum (assessed across all superannuation funds to which you make contributions).

The exception is where a person has "total superannuation balance" (across all superannuation funds) of $1.6 million or more at the start of the financial year. Total superannuation balance is the balance of all of a person's superannuation and retirement savings accounts (minus any personal injury structured settlement accounts contributed to superannuation), in which case you cannot make any non-concessional contributions.

"Bring-Forward" of future years' non-concessional contributions cap

A person under age 65 years may "bring-forward" their non-concessional contributions cap for the next 2-3 years.

How it works

The limit (as at 1 July 2019) is $100,000 per annum. A member whose "total superannuation balance" at 30 June 2019 was less than $1.4 million may elect to use their 2020/21 and 2021/22 cap in addition to the current year's cap and make a contribution of up to $300,000. Where that option is taken up, no further non-concessional contributions could be made until the expiry of the three years (in this example no non-concessional contributions could be made until after a July 2022).

Limits of $100,000 (and up to $300,000 under the "bring forward" provision) are subject to indexation and will be reviewed by the Government on an annual basis. The limits are published on the Australian Taxation website (www.ato.gov.au) under "Non-concessional contributions cap." Or you can contact the ATO on telephone 13 10 20.

Contributions - continued

You may make any contributions up to the limit, however once you exceed $100,000 in a year you will automatically trigger the bring forward rule, which will affect the next two financial years non-concessional contribution cap. For example, if you made contributions up to $120,000 in the 2019/20 financial year, you will only be able to make non-concessional contributions of $180,000 over the next two financial years (2020/21 and 2021/22).

Balance greater than $1.4 million

If your "total superannuation balance" at 30 June 2019 was greater than $1.4 million and less than $1.6 million the amounts that you can contribution under the "bring forward" arrangement appears below. If your "total superannuation balance" is $1.5 million or more the "bring-forward" provision is not available.

Total superannuation balance on 30 June 2019	Maximum non-concessional contributions cap for the first year	Bring-forward period
Less than $1.4 million	$300,000	3 years
$1.4 million to less than $1.5 million	$200,000	2 years
$1.5 million to less than $1.6 million	$100,000	No bring-forward period, general non-concessional contributions cap applies
$1.6 million	nil	na

If you're uncertain if you have triggered a bring-forward arrangement, or you need assistance working out your 2019/20 contributions cap, the ATO has advised that they are available to provide assistance. They can be contacted on 13 10 20.

Please note: the assessment is based on the contributions actually received by superannuation funds during the financial year 1 July to 30 June. Superannuation funds are required to report to the ATO all contributions received during that period. For example, if you or your employer send contributions in late June which are not physically received by AMIST Super until 1 July or later, they will be reported and counted for the next year's cap. For example, if you send contribution by cheque on 26 June 2019 and it is received by AMIST Super on 2 July 2019 then it will be reported to the ATO as being received on that date and be counted towards your 2019/20 non-concessional contributions cap.

If you go over the non-concessional contributions cap (for example: where contributions are made to more than one superannuation fund), extra tax at your personal marginal rate will be payable on the excess contributions. An individual fund cannot accept non-concessional contributions where it is aware that the cap has been exceeded (in this case AMIST Super would not be able to accept contributions once the cap is reached).

Claiming a tax deduction

From 1 July 2017 any person that makes a personal (non-concessional) contribution to superannuation may claim a tax deduction for those contributions. Prior to that date a tax deduction was only available to a person who earned a maximum of 10% of their income from an employer (other than themselves - primarily this option was for self-employed people).

If you claim a tax deduction for non-concessional contributions, the amount of contributions against which a tax deduction is claimed will be treated as concessional contributions.

As a result those contributions will be counted towards your concessional contributions cap and will be subject to taxation at a rate of up to 15%.

In order to claim a tax deduction for non-concessional contributions you will need to complete a Notice of intent to claim a deduction form (this is an ATO form, not an AMIST Super form) and send it to AMIST Super. You will need to receive an acknowledgement back from AMIST Super that we have received and accepted the notice before you lodge your tax return for the relevant years.

A notice of intent is only valid if you are still a member of AMIST Super and the contribution against which you are claiming a deduction are still held in the fund. If you have transferred the contributions to a pension (e.g. AMIST Pension) then they are considered to have left the fund and will not attract a tax deduction.

If you give a notice of intent after you have rolled over your entire super interest to another fund (closed your account) or withdrawn your entire super interest (paid it out of super as a lump sum), your notice will not be valid. This means you will not be able to claim a deduction for the personal contributions you made before the rollover or withdrawal.

If you have partially rolled over or withdrawn your super interest (which included the contribution you made), your notice will not be valid for the entire contribution. You can only validly deduct a proportion of your contribution that remains in the fund.

If you have made a non-concessional contribution to AMIST Super we will write to you after 30 June each year and provide a copy of the *Notice of intent to claim a deduction* form.

Eligibility for a tax deduction on non-concessional contributions

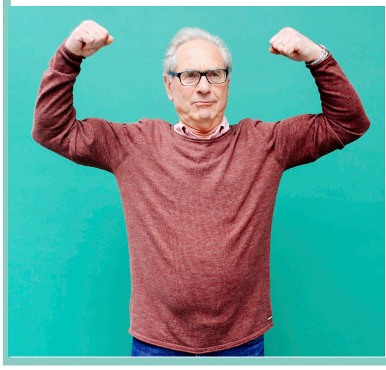
If you are over age 18 years and under age 65 years you are eligible to claim a tax deduction for non-concessional contributions.

If you are under age 18 years or over age 65 years (at 30 June of the year in which the non-concessional contributions were made) please refer to the table below:

Age at 30 June	Restriction
Under age 18 years	You can only claim a deduction for your personal super contributions if you earned income as an employee or a business operator.
Age 65-74 years	You need to satisfy a work test in each financial year – refer to the section titled “Restrictions on contributions from age 65” on Page 8.
Age 75 years or older	If you are 75 years old or older, you can only claim a deduction for contributions you made on or before the 28th day of the month following the month in which you turned 75.

Example of claiming a tax deduction on non-concessional contributions

Joe is aged 58 years and for the year ending 30 June 2020 earned $50,000 per annum; therefore his employer made Superannuation Guarantee contributions of $4,750 per annum (9.5% of $50,000). These are concessional contributions and are counted towards his $25,000 concessional contributions cap.



During the year Joe also made $30,000 worth of personal (after-tax) contributions to superannuation. These are classified as non-concessional contributions and counted towards his $100,000 non-concessional contributions cap.

Joe decides that he wishes to claim a tax deduction for the personal contributions. This would result in the $30,000 being treated as concessional contributions and therefore will be counted towards that cap, along with the $4,750 from his employer. However, that would take his concessional contribution total to $34,750 which is greater than the concessional contribution cap of $25,000.

As a result Joe is only able to claim a tax deduction for $20,250 worth of personal contributions which will then take his concessional contributions up to the limit of $25,000 (the $20,250 against which he has claimed a tax deduction and the $4,750 paid by his employer).

He would not be able to claim a tax deduction against the remaining $9,750 of his personal contributions.

Government co-contributions

The Commonwealth Government Co-contribution Scheme offers an incentive for people to add to their super. If you earn less than $38,564 and you make personal contributions of up to $1,000 per year from your after-tax pay, the Government will contribute fifty cents extra for every dollar you put in (to a maximum co-contribution of $500).

If you earn more than $38,564 (2019/20 financial year), but less than $53,564 then you will still be eligible for the co-contribution, but at a reduced rate.

The Australian Taxation Office works out how much of the co-contribution you will receive when you lodge your tax return. If you are eligible the ATO will automatically pay the co-contribution to the superannuation fund to which you made the personal contributions.

Eligibility for the Co-contribution

You are eligible for the co-contribution if:

- You made personal (after-tax) contributions to super before to 30 June. Please note that personal contributions for which you have claimed a tax deduction (see above) or made on behalf of a spouse are not eligible for the co-contribution.
- Your total income (including reportable fringe benefits) is less than $53,564.
- You are in full-time, part-time, casual employment or are self- employed.
- At least 10% of your total income (assessable income and reportable fringe benefits) is attributable to eligible employment, running a business or a combination of both.
- You are under 71 years of age.
- You are a permanent resident of Australia.
- You have lodged an income tax return.
- Your “total superannuation balance” at 30 June of the year prior to making the contribution is less than $1.6 million.
- You have not contributed an amount more than your non-concessional contributions cap for the financial year.

Low Income Superannuation Tax Offset

From 1 July 2019 the Government has introduced a Low Income Superannuation Tax Offset (LISTO) of up to $500 for members with an income of less than $37,000 p.a. This essentially offsets the contributions tax paid on their Superannuation Guarantee contributions.

The benefit will be paid by way of a tax credit to a member's superannuation fund - the fund will then be responsible for passing the credit on to eligible members. This replaces the Low Income Superannuation Contribution (LISC) which was previously in place from 1 July 2010.

How to potentially increase your benefits

For most members, the contributions made by your employer are likely to provide only basic retirement benefits. Making personal contributions from your after-tax salary may help increase your retirement benefit and future financial security. There are four easy ways you can make your own personal contributions to AMIST Super and there is no fee for doing so.

Via payroll deduction – You can arrange with your employer to have an amount deducted from your pay and sent to AMIST Super. Or you can complete a Payroll Deduction Authority (available to download at www.amist.com.au/publications_forms.php), which allows your employer to deduct personal contributions from your pay. The contributions will generally be sent to AMIST Super along with your employer's contributions.

Automatic Bank Transfer – This enables you to have a specified amount regularly transferred from your bank account and paid directly into your AMIST Super account. This method of payment does not involve your employer. Please complete the Automatic Bank Transfer Form available at www.amist.com.au/publications_forms.php or contact the AMIST Super Hotline on 1800 808 614 for a copy.

By sending regular or one-off personal contributions – When you do this, you must advise your membership number and indicate your payment is a personal contribution. If these details are not included, the payment will be returned to you. Personal contributions made from your after-tax salary are not subject to contributions tax (unless you are self-employed and claim a tax deduction for those contributions).

By BPAY – You can make after-tax contributions to AMIST Super using BPAY. To get your Biller Code and BPAY Reference Number, see your membership card, or log into your account online at www.amist.com.au. You can also call the AMIST Super Hotline on 1800 808 614 for help. Please note that the standard processing time for BPAY transactions through the banks is two working days. Therefore, in order to make a payment by 30 June, for example, you will need to make the payment on 28 June at the latest (or earlier if 30 June falls on or within two days of a weekend.

The "Downsizer" measure

From 1 July 2018, if you are 65 years old or older and meet the eligibility requirements, you may be able to choose to make a downsizer contribution into your superannuation of up to $300,000 from the proceeds of selling your home.

Your downsizer contribution is not a non-concessional contribution and will not count towards your contributions caps. The downsizer contribution can still be made even if you have a total super balance greater than $1.6 million.

Your downsizer contribution will not affect your total super balance until your total super balance is re-calculated to include all your contributions, including your downsizer contributions, on 30 June at the end of the financial year.

The downsizer contribution will count towards your transfer balance cap, currently set at $1.6 million. This cap applies when you move your super savings into retirement phase.

You can only make downsizing contributions for the sale of one home. You can't access it again for the sale of a second home.

Downsizer contributions are not tax deductible and will be taken into account for determining eligibility for the age pension.

If you sell your home, are eligible and choose to make a downsizer contribution, there is no requirement for you to purchase another home.

Eligibility for the downsizer measure

You will be eligible to make a downsizer contribution to super if you can answer yes to all of the following:

- you are 65 years old or older at the time you make a downsizer contribution (there is no maximum age limit)
- the amount you are contributing is from the proceeds of selling your home where the contract of sale exchanged on or after 1 July 2018
- your home was owned by you or your spouse for 10 years or more prior to the sale – the ownership period is generally calculated from the date of settlement of purchase to the date of settlement of sale
- your home is in Australia and is not a caravan, houseboat or other mobile home
- the proceeds (capital gain or loss) from the sale of the home are either exempt or partially exempt from capital gains tax (CGT) under the main residence exemption, or would be entitled to such an exemption if the home was a CGT rather than a pre-CGT (acquired before 20 September 1985) asset
- you have provided your super fund with the Downsizer contribution into super form either before or at the time of making your downsizer contribution
- you make your downsizer contribution within 90 days of receiving the proceeds of sale, which is usually at the date of settlement
- you have not previously made a downsizer contribution to your super from the sale of another home.

Exceptions to the contributions caps

In the following circumstances contributions may be accepted by a superannuation fund without penalty:

- Contributions relating to certain proceeds from the sale of a business have a lifetime cap of $1,000,000.
- If you receive a financial settlement because of injuries that have resulted in permanent disablement, and you put that money into super, it does not count towards any cap, as long as you put it into your super within 90 days.
- Federal Government co-contributions do not count towards any cap.
- Contributions under the “Downsizer” measure
- Transfers from another Australian superannuation funds (called “rollovers”) do not count towards any cap.
- Transfers from an overseas funds fall under the personal contributions cap (see Page 3), except for any portion that you have elected to be treated as taxable contributions by AMIST Super.
- Spouse contributions count towards the receiving spouse’s personal contributions cap.

Tax on excess contributions

Where a superannuation fund receives contributions above the contributions caps, the following will happen:

- Like every other superannuation fund, AMIST Super must report all contributions made to your account to the Australian Taxation Office (ATO) after the end of each financial year.
- If the ATO determines that your total contribution (to all your superannuation funds) was greater than either cap during that year, you will be sent an excess contributions tax assessment notice, which will tell you how much extra tax you must pay to the ATO.
- If your contributions were greater than the personal contributions cap, you will be required to withdraw the extra tax amount from your AMIST Super account so it can be paid to the ATO.
- If your contributions were greater than the employer contributions cap, you can choose to withdraw the extra tax amount from your AMIST Super account or pay it to the ATO yourself.

Restrictions on contributions from age 65

Up to your 65th birthday you or your employer can make contributions to your AMIST Super account at any time, subject to the contribution caps outlined in the previous section. From age 65 you need to meet the minimum working hours test, or pass the Work Test Exemption criteria, in order for a contribution to be accepted.

After reaching age 65, currently the person receiving or making the contribution (member or spouse member) must have worked at least 40 hours in 30 consecutive days or less during the financial year in which the contribution is received, or pass the Work Test Exemption criteria. “Work” means being employed or self-employed for gain or reward in any business, trade, profession, vocation, calling, occupation or employment.

AMIST Super is required to confirm each year whether or not you meet the work test above and are eligible to receive contributions. You will need to complete a form where contributions are received after your 65th birthday, and then annually after 30 June if contributions are still being made to AMIST Super. Work Test Exemption declarations are available from the AMIST Super website under the following link: Super>Forms>Employment questionnaire.

Where a contribution is received and you have not confirmed that you are working the minimum number of hours, the contribution will be returned to the party that made it.

Maximum age limits

Contributions can no longer be accepted once you reach a certain age. The age limit that applies depends on the type of contribution being made. The age limits are as follows:

Superannuation Guarantee contributions

There has been no age limit on these contributions since 1 July 2013. Prior to that date, an employer was not obliged to pay Superannuation Guarantee contributions for an employee who was 70 years of age or older.

Award contributions

Any contributions that your employer is required to make under an Award or other certified industrial agreement can be accepted at any time.

Personal contributions

You can only make personal (after-tax) contributions to a superannuation fund once you reach age 65 years if you are working at least a minimum number of hours. See the section called “Restrictions on contributions from age 65” above.

No personal contributions can be accepted once you reach 75.

Employer extra/salary sacrifice contributions

Any contributions that your employer makes on your behalf that are not mandatory under legislation, an Award, or a certified industrial agreement can only be accepted after your 65th birthday if you have worked at least a minimum number of hours. See the section called “Restrictions on contributions from age 65” above.

From your 75th birthday onwards these contributions cannot be accepted.

Spouse contributions

AMIST Super can accept contributions on behalf of an eligible spouse (wife, husband or de facto spouse) who lives with the member on a genuine domestic basis. The contributing member and spouse must be Australian residents for tax purposes and may be eligible for a tax rebate if the spouse’s income is less than $40,000 for the year ending 30 June 2019. Prior to 1 July 2017 the maximum spouse income at which a rebate could be claimed was $13,800.

The maximum rebate of $540 is available where a spouse’s income is $37,000 or less. The rebate is reduced where income is over $37,000 and phases out at $40,000 per annum.

If you are interested in making contributions on behalf of an eligible spouse, and have a total superannuation balance of less than $1.6 million as at 30 June 2019 please contact AMIST Super Hotline on 1800 808 614 for more details.

Contributions for a spouse aged between 65 and 70 can only be made to a superannuation fund if the spouse works at least 40 hours in a period of 30 consecutive days during the financial year that the contribution relates to. “Work” means being employed or self-employed for gain or reward in any business, trade, profession, vocation, calling, occupation or employment.

Where a contribution is received for a spouse who is over age 65, AMIST Super will require your spouse to complete a questionnaire each year to confirm that they are working at least the minimum number of hours.

No spouse contributions can be accepted once your spouse reaches age 70.

You should also note that a spouse-member who has not been employed cannot access their superannuation at retirement until they reach age 65.

If you require a printed copy of this Fact Sheet please contact the AMIST Super Hotline on 1800 808 614.

Australian Company Number (ACN): 002 981 919

Trustee Australian Business Number (ABN): 25 002 981 919

Fund Australian Business Number (ABN) 28 342 064 803

Superannuation Fund Number (SFN): 268997940

Unique Superannuation Identifier (USI): 28342064803589

Superannuation Product Identification Number (SPIN): AMI0100AU

Australian Financial Services License (AFSL): 238829

Registrable Superannuation Entity License (RSEL): L0000895

Registrable Superannuation Entity Registration (RSER): R1001778

AMIST Super Hotline
1800 808 614

www.amist.com.au
service@amist.com.au

Locked Bag 5390
Parramatta NSW 2124

AMISTSUPER
YOUR MEAT INDUSTRY FUND