

Superannuation and the co-contribution scheme



We see creating and looking after your wealth as a lifelong commitment. That's why we offer regular financial advice and guidance throughout the different stages in your life. Together, we can build the financial wealth that lets you enjoy the truly important things in your life.

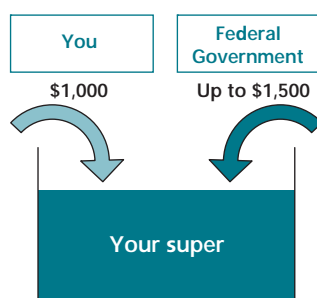
Many Australians take a falsely optimistic view of funding their retirement, living (and spending) in the moment, while thinking financial issues can be sorted out later. In reality, many of us will be totally financially unprepared for our future. People with low incomes may particularly struggle to afford a comfortable lifestyle when they retire.

One government incentive to increase our retirement savings is the super co-contribution scheme – the government will contribute \$1.50 for every \$1 you personally contribute, up to \$1,500.

The information below will help you find out if you can use the co-contribution scheme to boost your retirement savings.

What is the co-contribution scheme?

If your income is less than \$28,980, the government will contribute \$1.50 for every dollar you personally contribute, up to a maximum of \$1,500. If you earn between \$28,980, and \$58,980, the government will contribute an adjusted amount.



Who is eligible?

To qualify for the co-contribution you have to meet the following criteria in the financial year:

- receive an assessable income of less than \$58,980;
- make a personal contribution to your superannuation account out of your after-tax income;
- receive 10 per cent or more of your total income from employment or carrying on a business;
- lodge an income tax return; and
- be less than 71 years of age at the end of the financial year.

Only personal contributions from your after-tax income qualify for a co-contribution. Superannuation payments from your employer and contributions for which a tax deduction has already been claimed

What is wealth advice?

Wealth advice is support and guidance on the best way to manage all your finances. Whether it's adjusting your debts to minimise repayments, saving for a home or a holiday, investing money, planning for your retirement, maximising pension entitlements or ensuring your family are protected if something happens to you, the right advice from the right people will help you achieve your goals faster and more effectively.

(for example under a salary sacrifice arrangement or if you are self-employed) are not eligible.

What are the current levels of co-contribution payable?

The maximum co-contribution that will be made by the government is \$1,500, and is available if you have an assessable income of less than \$28,980 a year. The maximum co-contribution is reduced at a rate of 5 cents in the dollar if you have an income of between \$28,980 and \$58,980.

The following table highlights the level of co-contribution the government will make to superannuation, if you make a personal contribution of \$1,000.

Income	Co-contribution
\$28,980 or less	\$1,500
\$30,000	\$1,449
\$35,000	\$1,199
\$40,000	\$949
\$45,000	\$699
\$50,000	\$449
\$58,980	\$0

How to apply for the co-contribution

If you qualify for the co-contribution payment, you don't need to apply. The only actions required from you are to make the extra contribution to your super fund before 30 June and lodge an income tax return. The Australian Taxation Office (ATO)

will work out if you are entitled to a co-contribution using information from your tax return and your super fund. If you are eligible, the ATO will then pay the co-contribution directly into your super account where it must remain until you retire. You need to supply your super fund with your tax file number so it will be easier for the ATO to link your personal contribution to your taxable income.

If you feel that you qualify and no payment has been made, you should contact the ATO to find out what has happened.

When will the co-contribution payment be made?

The ATO anticipates that the co-contribution will be paid late in the year. The ATO firstly has to collect information from your super fund about contributions (due 31 October). The ATO also has to wait until you lodge your tax return before they can determine if you are eligible.

Remember you must make your personal super contributions before 30 June to be eligible for a co-contribution within the current financial year.

The government's co-contribution scheme is a great incentive to grow your super savings. If your own salary is above the threshold, consider boosting the super of someone in the family who works part time such as your spouse or child. Take full advantage of this scheme if you can.

The co-contribution scheme at a glance

What is it?

The government will make super contributions (up to a maximum of \$1,500) for low-income earners who make personal super contributions.

To be eligible you must:

- receive income of less than \$58,980;
- contribute to super (from post-tax income);
- receive 10 per cent or more of your total income from employment or carrying on a business;
- be under 71 years of age; and
- complete an income tax return.

How much will be paid?

An amount up to \$1,500 (if income less than \$28,980). An adjusted amount, if income less than \$58,980.

When will I receive the money?

Late in the year.

How do I apply?

You don't need to apply. Make a contribution and the ATO will deposit the co-contribution automatically.

At Genesys, we want you to get the most out of life so you can take advantage of any opportunity and be prepared for any challenge – that's what wealth advice is all about.

For more information about the co-contribution scheme or to arrange a no-cost, no-obligation first consultation, please contact:

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