

# WEALTH BITES

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superannuation  
investment  
insurance  
advice

## Take advantage of the Super 5-year concessional cap carry forward rule

Personal concessional contributions are contributions into your superannuation fund from your pre-tax income and are tax deductible. Your concessional cap is the maximum amount of before-tax contributions you can make to your super each year without penalties and includes mandatory contributions made by your employer, amounts salary sacrificed by you and personal deductible contributions.



If certain requirements are met, unused concessional cap amounts from previous years can be carried forward for up to five years. The 2023/24 financial year is the last opportunity to use any unused concessional contributions cap from the 2018/19 financial year.

### Carry forward super contributions

Carry forward super contributions are for before-tax contributions, enabling you to make up for past years when you may not have utilised all your concessional contributions cap. Broadly speaking, personal concessional contributions reduce your taxable income and tax payable.

To be able to carry forward super contributions, you need to be under age 67 (or under age 75 if you have met the work test requirement), and your total super balance needs to be under \$500,000 at the previous 30 June. You can use MyGov to check your total superannuation balance on previous 30 June and to find out the amount of unused concessional contributions cap that is available to you.

### When determining the amount of unused cap available for the current financial year, consider any future concessional contributions you or your employer intend to make for that year.

It's also important to remember that you can't access your super until you meet a condition of release, such as reaching preservation age and retiring or attaining age 65.

To use up carried-forward concessional cap amounts, you may want to make *salary sacrifice* or *personal deductible contributions* to super. Carry-forward contributions can help to reduce your taxable income for the year in which you make them. The strategy may be beneficial if you are a middle to high income earner or if you have realized large capital gains by selling down certain assets in the financial year. If carefully planned, the strategy can result in potential tax savings.

Contact us if you're unsure about whether you're eligible or if you have any other questions about how to make the most of your super.

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