

## Superannuation Contributions

Concessional	Non-concessional
Compulsory employer contributions	Personal after-tax contributions not claimed as a tax deduction
Salary sacrifice contributions	Spouse Contributions
Personal tax deductible contributions	Concessional contributions which exceed the concessional contribution-cap*

\*Unless appropriately released from superannuation

- Contributions are typically counted toward the relevant contribution cap for the year in which the contribution is received.
- Amounts allocated from a contribution holding account are counted toward the relevant contribution cap for the year in which the amount is allocated to a member's account.
- To claim a tax deduction for a personal super contribution, a member must lodge a valid 'Notice of intent to claim or vary a deduction for personal super contributions' form with the super fund within strict timeframes. The trustee must acknowledge receipt of this form before a tax deduction can be claimed.

## Superannuation Guarantee (SG)

For the 2026-27 year, the SG contribution rate remains at 12%. From 1 July 2026, the Payday Superannuation regime commences. This means that, from 1 July 2026:

- Employers will generally need to pay SG contributions within 7 business days of each payday (rather than quarterly).
- SG will be calculated on an employee's "qualifying earnings (QE)", replacing the current base of "ordinary time earnings (OTE)".
- The maximum contribution base will change to an annual limit (\$270,830 for 2026-27).

## Contribution Caps

All ages	2026-27
Standard concessional contribution (CC) cap	\$32,500
Non-concessional contribution (NCC) cap	\$130,000

### Concessional contribution (CC) cap

- A member's CC cap may be higher than the standard CC cap amount if their Total Super Balance (TSB) was less than \$500,000 on 30 June of the previous year. That is, a member can access any unused CC cap amounts carried forward (from the previous 5 financial years). For 2026-27, unused CC amounts from 2018-19, 2019-20, and 2020-21 are no longer available.
- A member may elect to split up to 85% of their CC each year with their spouse - provided their spouse is under age 65, not retired and the request is lodged within a specific timeframe. CC's split in this way remain counted toward the CC cap of the spouse who originally received the CC.

### Non-concessional contribution (NCC) cap

- Members under age 75 on 1 July 2026 may trigger the 'bring-forward' of up to two years' NCC cap. This could enable up to 3 times the annual NCC cap to be contributed - subject to their TSB (see below).
- A member's NCC cap will be reduced to Nil for 2026-27 if they have a TSB of \$2.1 million or more on 30 June 2026. This also applies to members already in a previously triggered bring-forward period.
- A member's bring-forward period and maximum NCC cap amount, is 'locked-in' in the year the member makes NCCs that exceed their NCC cap (i.e. \$130,000 for the 2026-27 financial year).
- Non-excluded reserve allocations, post 7 December 2024, will be counted toward NCC cap.

Total Superannuation Balance (TSB) (at 30 June 2026)	Maximum NCC amount and bring-forward period (if triggered on or after 1 July 2026)
Less than \$1.84 million	3 years - (\$390,000)
\$1.84 - <\$1.97 million	2 years - (\$260,000)
\$1.97 - <\$2.1 million	1 year - (\$130,000)
\$2.1 million or more	Nil

### Non-concessional contributions cap exemptions

- Personal injury settlement amounts contributed to superannuation.
- Government co-contribution payments and Low-Income Superannuation Tax Offset (LISTO) amounts.
- Rollovers from taxed superannuation funds.
- Proceeds from the sale of eligible small business CGT assets - up to the relevant CGT cap limit.
- Downsizer contributions - up to a maximum \$300,000 limit.
- Re-contribution of amounts withdrawn under COVID-19 early release (between 1 July 2021 and 30 June 2030).

Small Business CGT Cap - Lifetime Limit				
2022-23	2023-24	2024-25	2025-26	2026-27
\$1.650m	\$1.705m	\$1.780m	\$1.865m	\$1.935m

## Excess Contributions Tax (ECT)

Contribution	Excess contributions tax
Concessional (CC)	Excess CC (ECC) will be added to assessable income for the year in which the ECC was made. ECC will be taxed at marginal rates, less a 15% tax offset.
Non-concessional contribution (NCC)	Where excess NCC (ENCC), plus 85% of associated earnings, is released from super - 100% of associated earnings will be added to assessable income for the year in which the ENCC was made, taxed at marginal rates, less a 15% tax offset. Where excess NCC (ENCC) is not withdrawn from super - ENCC amount will be taxed at 47%.

- A member may elect to have up to 85% of the ECCs released from super.
- ECCs will be added to a member's NCC cap - unless an election is made for the ECCs to be released.
- 'Associated earnings' is calculated using the average of the general interest charge (GIC) rates for the four quarters of the financial year in which the excess NCCs were made.

## Contribution eligibility

Contribution Type	Work Test Required? (For members aged 67+)	Maximum Age Limit <sup>1</sup>
<b>Employer Contributions</b>		
Mandated (SG, industrial award etc)	No	None
Non-Mandated (Salary sacrifice)	No	75
<b>Member Contributions <sup>2</sup></b>		
Deductible contributions	Yes	75
Non-deductible contributions	No	75
<b>Other Contributions</b>		
Spouse contributions	No	75
Downsizer contributions <sup>3</sup>	No	None
COVID-19 re-contribution amounts	No	75
CGT small business contribution	No	75

<sup>1</sup> Except for downsizer and mandated employer contributions, contributions can only be accepted by a super fund where they are received on or before 28 days following the end of the month in which the member turns 75.

<sup>2</sup> Members aged 67 to 74 will only need to meet a work test if they wish to claim a tax deduction for their personal super contributions. To meet this work test, a member must be gainfully employed for at least 40 hours over a consecutive 30-day period, at any time during the relevant financial year.

A work test exemption for recent retirees allows members aged 67 to 74, with a TSB below \$300,000, to claim a tax deduction for personal super contributions made within 12 months from the end of the financial year in which they last met the work test.

<sup>3</sup> Downsizer contributions can only be made by individuals aged 55 and older.

## Division 293 Tax: Additional contributions tax for higher income earners

Members with Adjusted Taxable Income (ATI) over \$250,000 will pay an additional 15% tax on their concessional contributions.

For Division 293 Purposes, ATI broadly includes:

- Taxable income,
- Reportable fringe benefits,
- Total net investment losses, and
- Low tax contributions (generally a member's non-excessive CCs).

Where a member has ECCs, these are included in their taxable income (see above ECT notes).

ECCs will not be subject to Division 293 tax.

## Spouse Contribution tax offset

- A tax offset of up to \$540 is available where a contribution is made for the benefit of an eligible spouse.
- To be eligible for the maximum tax offset, the recipient spouse's 'income' must be \$37,000 or less.
- The maximum tax offset available gradually reduces, until it completely phases out when the receiving spouse's income reaches \$40,000.
- This tax offset is calculated as 18% of the amount contributed - up to the maximum \$540 amount available.
- To receive the maximum spouse contribution tax offset, a minimum contribution of \$3,000 is required.
- 'Income' includes assessable income, total reportable fringe benefits and reportable employer super contributions.
- No tax offset is available where the receiving spouse exceeds their NCC cap for the relevant year or has a TSB greater than \$2.1 million (for the 2026-27 year).

## Government co-contribution

Total Income	Maximum Government Co-Contribution for 2026-27 (50c for every \$1 contributed)
Less than or equal to \$49,293	\$500
\$49,293 - \$64,293	\$500 reduced by \$0.03333 per \$1 greater than \$49,293
Greater than \$64,293	Nil

- To be eligible for a Government Co-contribution, a member must be under 71 years old at the end of the financial year, meet the 10% eligible income test, and lodge a tax return for the relevant year.
- No Government Co-contribution is available where the member exceeds their NCC cap for the relevant year or has a TSB greater than \$2.1 million (for the 2026-27 year).

## Superannuation Benefit Payments

### Preservation age

- Since 1 July 2024, individuals will only attain preservation age upon turning 60.
- All individual's currently aged 60 or older have reached their preservation age.

### Conditions of release

Superannuation monies can only be withdrawn when a member meets a condition of release such as:

Conditions of release	
Retirement	Financial hardship
Permanent incapacity	Compassionate grounds
Death	Temporary resident: Departing Australia permanently
Transition to Retirement: Reached preservation age	Cease employment (Account balance < \$200)
Terminal medical condition	First Home Super Saver Scheme
Temporary incapacity	Release authorities issued

## Superannuation Death Benefit Payments

### Lump sum death benefits

Benefit Paid To:		
Component	Dependant Beneficiary	Non-dependant beneficiary <sup>^</sup>
Tax-free component	0% Non-assessable, non-exempt income	0% Non-assessable, non-exempt income
Taxable component - Taxed element	0% Non-assessable, non-exempt income	15% ^^ (Plus Medicare Levy)
Taxable component - Untaxed element	0% Non-assessable, non-exempt income	30% ^^ (Plus Medicare Levy)

<sup>^</sup> Tax treatment of taxable component will differ where paid to non-dependant beneficiary via a deceased member's estate.

<sup>^^</sup> The taxable component of the payment is included in the assessable income of the recipient, but a tax offset is applied to limit the rate of tax.

### Death benefit pensions

- Amount available to start a death benefit pension is limited by the beneficiary's Transfer Balance Cap (TBC).
- A death benefit pension can only be paid to a member's dependant - as defined for SIS purposes.
- Where a death benefit pension is to be paid to a child of the member, the child must (at time of death) be:
  - Aged less than 18.
  - Aged 18 - 24 and financially dependant on the deceased member, or
  - Have a disability that meets the requirements of SIS Regulation 6.12 (2C).
- Death benefit pensions paid to a child must be commuted to a lump sum (tax-free) upon the child turning 25 (unless disabled - as above).

Component	Age at time of death	Amount included in assessable income	Tax Rate (excludes Medicare Levy)
Tax-free component	Any age	None	Nil
Taxable component - Taxed element	Either the deceased or the dependant was aged 60 or over	None	Nil
	Both the deceased and the dependant were aged under 60	Whole amount	Taxed at marginal tax rates. A 15% tax offset is available.
Taxable component - Untaxed element	Either the deceased or the dependant was aged 60 or over	Whole amount	Taxed at marginal tax rates. A 10% tax offset is available.
	Both the deceased and the dependant were aged under 60	Whole amount	Taxed at marginal tax rates. No tax offset available.

Once a dependant beneficiary turns 60, there will be no tax payable on the taxable proportion of income stream payments (that is, these amounts will become non-assessable, non-exempt income).

## Superannuation Lump Sum Benefits

The tax-free component is not subject to tax - regardless of age.

	Age at payment date	Amount included in assessable income	Tax rate*
Taxable component - Taxed Element	Under age 60 <sup>^</sup>	Entire amount	20%
	Aged 60 and above	None	0%
Taxable component - Untaxed Element	Under age 60 <sup>^</sup>	First \$1.935 million (included in assessable income)	30%
		Above \$1.935 million (included in assessable income)	45%
	Aged 60 and above	First \$1.935 million (included in assessable income)	15%
		Above \$1.935 million (included in assessable income)	45%

\*Maximum tax rates, excluding Medicare Levy. Tax rates listed as 45% are flat tax rates (not maximum tax rates).

<sup>^</sup> As preservation age is age 60, the low-rate cap on superannuation withdrawals is no longer relevant, as individuals will no longer be able to make a superannuation withdrawal between preservation age and age 60.

## Superannuation Income Stream Benefits

### Minimum annual pension payment requirements

Age at pension commencement or at 1 July (as relevant)	Minimum withdrawal
Under 65	4%
65 - 74	5%
75 - 79	6%
80 - 84	7%
85 - 89	9%
90 - 94	11%
95 and over	14%

Where a pension commences part way through the year, a pro rata annual minimum payment is required - unless the pension commences on or after 1 June, in which case no minimum is required for that financial year.

### Taxation of income streams

The tax-free proportion of income stream payments is not subject to tax - regardless of age.

Taxable Component		
Age	From a taxed sourced	From an untaxed source
60 or above	Tax-free (Non-assessable, non-exempt income)	Taxed at marginal tax rates. A 10% tax offset is available.
Under age 60	Taxed at marginal tax rates. No tax offset available (unless a disability super benefit).	Taxed at marginal tax rates. No tax offset available.

## Transfer Balance Cap (TBC)

- From 1 July 2026, the General Transfer Balance Cap (TBC) is \$2.1 million.
- Members with a transfer balance account (TBA) which commenced before 1 July 2026, will have a personal TBC between \$1.6m - \$2.1m, based on the highest balance in their TBA and when they first commenced their retirement phase income stream.
- SMSF trustees are required to report TBC events no later than 28 days following the end of the quarter in which the event occurred - regardless of a members' Total Super Balance.

### Common types of credits and debits

Credits	Debits
The value of superannuation interests supporting existing retirement phase income streams on 30 June 2017	Lump sum commutations from a retirement phase income stream (full or partial)
The commencement of a new retirement phase income stream from 1 July 2017 onwards	Structured settlement payments contributed to superannuation
Reversionary and non-reversionary death benefit pensions paid to deceased members' beneficiary	Certain payments arising from family law splits, fraudulent or void transactions
Certain LRBA loan repayments	Where a retirement phase income stream fails to comply with relevant pension standards
Notional earnings accruing on excess TBA amounts	

## Division 296 Tax

Individuals with a TSB > \$3m, at 30 June 2027, will be liable for Division 296 tax on a proportion of their superannuation earnings for the 2026-27 year.

- A Division 296 tax rate of 15% will apply where an individual has a TSB reference amount > \$3 million.
- An additional 10% Division 296 tax rate will apply where an individual has a TSB reference amount > \$10 million.
- The 15% tax rate will be applied to the proportion of earnings over \$3m. The additional 10% tax rate will be applied to the proportion of earnings over \$10m.

## Personal income tax rates

### 2026-27 Individual Tax Rates - Residents

Taxable income	Tax on this income
0 - \$18,200	Nil
\$18,201 - \$45,000	15c for each \$1 over \$18,200
\$45,001 - \$135,000	\$4,020 plus 30c for each \$1 over \$45,000
\$135,001 - \$190,000	\$31,020 plus 37c for each \$1 over \$135,000
\$190,001 and over	\$51,370 plus 45c for each \$1 over \$190,000

- This table does not consider the impacts of Medicare Levy nor any other tax offsets that may be available.
- From 1 July 2027, the 15% tax rate in the table above will reduce to 14%.



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