SUPERGUIDE

SUPERANNUATION RATES AND THRESHOLDS

2024–25

SuperGuide – independent super and retirement planning information

Super rates and thresholds 2024–25 quick reference

Contributions

Superannuation guarantee (SG):
11.5% of ordinary time earnings capped at $7,483.05 per quarter

Concessional contributions cap: $30,000

Non-concessional contributions cap:
$120,000, or $0 if your total super balance on 30 June 2024 was equal to or more than $1.9 million

Super co-contribution: $500 for people earning less than $45,400, phasing out at $60,400

Low-income super tax offset (LISTO): 15% of concessional contributions, capped at $500 (applies to people earning less than $37,000)

Spouse contributions tax offset: Claim up to $540 per year if your spouse earns less than $40,000

Division 293 tax: Additional 15% tax payable by individuals with income plus concessional super contributions over $250,000

Downsizer contribution to super:
Up to $300,000 ($600,000 for couples)

First Home Super Saver Scheme (FHSSS):
Up to $15,000 per year, capped at $50,000

Capital gains tax (CGT) retirement exemption: $500,000 lifetime limit on exempt capital gains only

15-year CGT exemption: $1,780,000 lifetime cap for exempt capital gains and/or sale proceeds

Benefits

Preservation age: 60

Tax on lump sum benefits

Age below 60

Taxable (taxed)	Up to 22%
Taxable (untaxed)	Up to 32%

Age 60 or higher

Taxable (taxed)	0%
Taxable (untaxed)	Up to 17%

Income streams

Transfer balance cap: $1.9 million

Minimum pension payments

Under 65	4%
65 to 74	5%
75 to 79	6%
80 to 84	7%
85 to 89	9%
90 to 94	11%
95 or higher	14%

Maximum pension payment

Maximum payment is 10% for transition to retirement accounts.

No maximum for pension accounts.

Tax on pension payments
Age 60 or higher

Taxable (taxed)	0%
Taxable (untaxed)	Marginal tax rate less 10% offset capped at $11,875

Untaxed plan cap for DB funds:
$1,780,000

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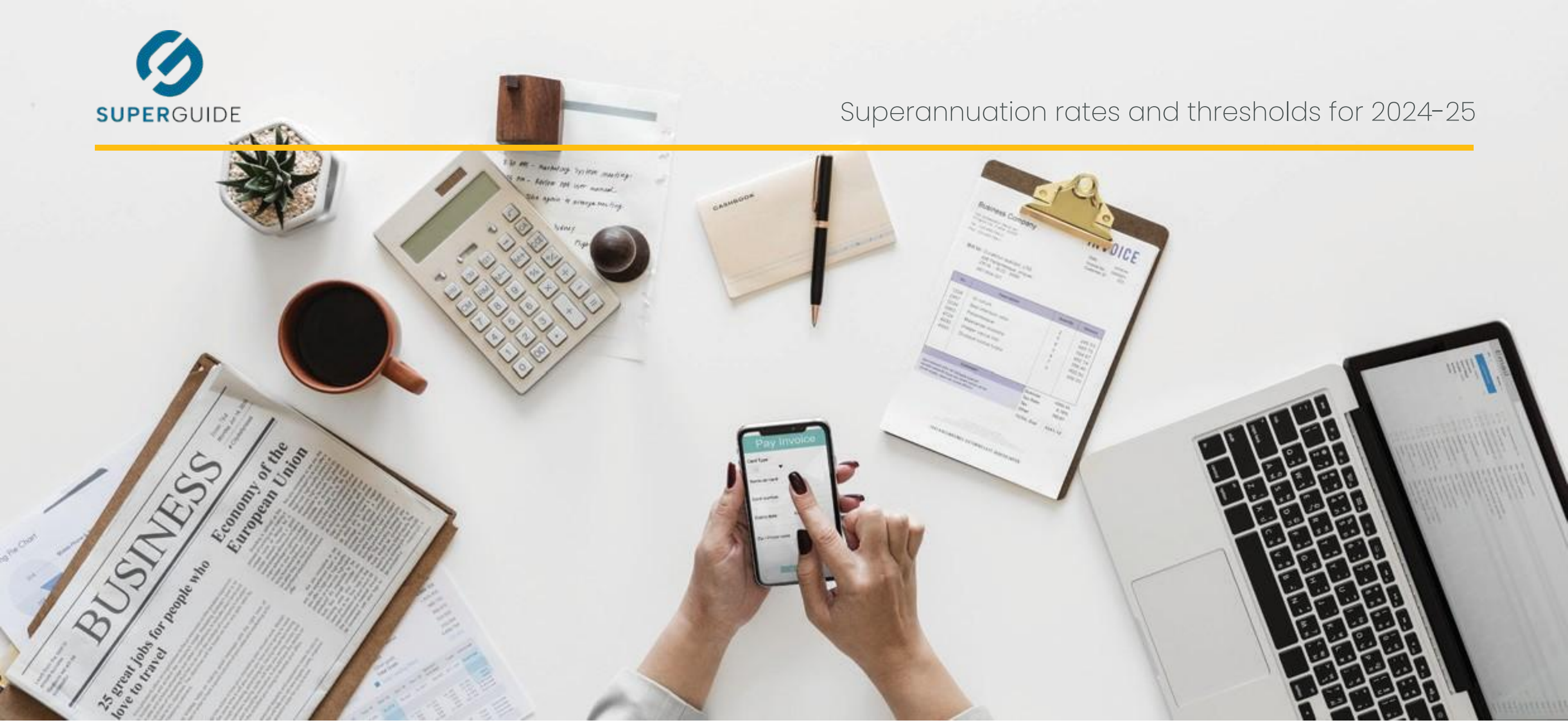

Superannuation is widely regarded as the most tax-effective vehicle for retirement savings, but tax effective is far from tax simple.

In this article, we summarise the eye-glazing range of tax rates and thresholds that can affect the amount of tax you pay on your super savings both in the accumulation phase (while you are working) and retirement phase (when you withdraw your money).

Concessional contributions cap

Concessional contributions are before-tax contributions made into your super fund from several potential sources. They may come from your employer (such as the superannuation guarantee), salary-sacrifice arrangements with your employer or tax-deductible personal contributions. These contributions are taxed at 15% as they enter your super fund. (High income earners may pay more – see Division 293 tax below.)

The concessional contributions cap is a limit on the total amount of pre-tax contributions you can make in a financial year. Any contributions above this cap will incur additional tax.

The concessional contributions cap for 2024–25 is $30,000.

However, under the **carry-forward rule** you may be able to exceed the annual limit. If you have a total super balance of less than $500,000 on the prior 30 June you can accumulate any unused portion of the concessional contributions cap for up to five years and use this to make additional super contributions in the current financial year.

If you exceed the cap, your excess contributions are added to your taxable income and you'll pay tax on them at your marginal rate.

Learn more about **concessional contributions.**

Non concessional contributions cap

Any contributions you make to your super fund from your after-tax income are called non-concessional contributions.

The annual non-concessional contributions cap for the 2024–25 financial year is $120,000.

If you're aged under 75, you can **bring forward** up to three years' worth of non-concessional contributions in any three-year period.

If you're aged under 75, you can bring forward up to two years' worth of the non-concessional cap from future years to contribute more than the usual cap. This allows you to contribute up to three times the cap in one financial year (the current year's cap, plus two years' future cap).

Learn more about **non-concessional contributions.**

Superannuation guarantee (SG)

The superannuation guarantee is the official term for compulsory super contributions made by employers on behalf of their employees.

The superannuation guarantee amount for 2024-25 is 11.5% of an employee's ordinary time wages or salary. This rate will increase to 12% on 1 July 2025, where it is scheduled to stay.

Period	Super guarantee rate
1 July 2002 - 30 June 2013	9.00%
1 July 2013 - 30 June 2014	9.25%
1 July 2014 - 30 June 2021	9.50%
1 July 2021 - 30 June 2022	10.00%
1 July 2022 - 30 June 2023	10.50%
1 July 2023 - 30 June 2024	11.00%
1 July 2024 - 30 June 2025	**11.50%**
1 July 2025 - 30 June 2026 and onwards	12.00%

Source: Australian Taxation Office

To ensure the superannuation system is fair, the government also places a limit on SG payments by an employer on behalf of an employee. This is known as the **maximum superannuation contribution base.** An employer doesn't have to pay the superannuation guarantee on employee earnings above this base limit, currently set at $65,070 per quarter for the 2024 - 25 financial year.

Learn more about the **superannuation guarantee.**

Division 293 tax

If your combined income and concessional super contributions exceed $250,000 you pay an additional 15% tax on concessional contributions, known as Division 293 tax. This tax is levied on the excess over the $250,000 threshold, or on your super contributions, whichever is less.

Learn more about **Division 293 tax.**

Super co-contribution

To encourage low- to middle-income earners to boost their retirement savings, the government offers a super co-contribution. If your annual income is below the lower income threshold outlined in the table below, the government will contribute 50c for every dollar of (after-tax) super contributions you make during the financial year up to a maximum co-contribution of $500. The co-contribution phases out once your income reaches the upper threshold.

Financial year	Maximum co-contribution entitlement	Lower income threshold	Higher income threshold
2024-25	$500	$45,440	$60,400
2023-24	$500	$43,445	$58,445

Source: Australian Taxation Office

You don't have to apply to the ATO for the super co-contribution. If you're eligible, it will be paid to your super fund automatically.

Learn more about the **super co-contribution.**

Tax offset for super contributions on behalf of your spouse

If your (married or de facto) spouse is earning a low income or not working and you make contributions to their super on their behalf, you may be eligible for a tax offset of up to $540 per year, provided you meet the following criteria:

- The combined total of your spouse's assessable income, reportable employer super contributions and total reportable fringe benefits is less than $37,000. (You'll be entitled to a partial tax offset if your spouse earns between $37,000 and $40,000.)
- Both you and your spouse must have been Australian residents and living together when the contributions were made.
- Your spouse must not have exceeded their non-concessional contributions cap for the financial year, nor have a total super balance higher than the general transfer balance cap on the prior 30 June.

To receive the maximum offset you need to contribute at least $3,000 to your spouse's super. Your spouse must be aged under 75 to receive your super contribution.

Learn more about **the tax offset for super contributions you make on behalf of your spouse.**

Low-income super tax offset (LISTO)

The low-income superannuation tax offset (LISTO) was formerly known as the low-income superannuation contribution (LISC). It's designed to ensure low-income earners don't pay more tax on their super contributions than they do on their take-home pay.

Eligible low-income earners with an adjusted taxable income of $37,000 or less receive a LISTO contribution to their super fund of 15% of their total concessional super contributions, capped at $500. (Adjusted taxable income includes taxable income plus any tax offsets for dependants and any government benefits received.)

You don't have to apply to the ATO for the LISTO. If you're eligible, it will be paid to your super fund automatically.

Learn more about **LISTO.**

Downsizer contribution to super

Older Australians who want to downsize their family home to free up cash for their retirement can put some of the sale proceeds into their super. You can make a downsizer contribution of up to $300,000 per person ($600,000 for couples) into your super provided that:

- You're over the age of 55*
- You (or your spouse) owned your home for at least ten years
- You make the contributions within 90 days of receiving the sale proceeds
- You complete a **Downsizer contribution into super form** that's available from the ATO's website.

**The eligibility age of 55 applies from 1 January 2023, and previously was 60 (applying from 1 July 2022 to 31 December 2022).*

You can only make a downsizer contribution from the sale of one home. Downsizer contributions are not classed as concessional or non- concessional contributions and therefore are not included in your annual contributions caps.

However, they do count towards your **transfer balance cap.** This is the amount you can transfer from your accumulation account into your retirement account, which is currently $1.9 million.

Downsizer contributions are not tax deductible and are included in determining your eligibility for the Age Pension.

Learn more about **downsizer contributions.**

First Home Super Saver Scheme (FHSSS)

The FHSSS allows first home buyers to save towards a deposit in the tax-advantaged superannuation environment.

You can voluntarily contribute up to $15,000 in a financial year and then access these funds early for a deposit on your first home. A total maximum of $50,000 worth of contributions can be used towards the scheme. Any FHSSS contributions must be within your annual concessional and non-concessional caps.

Learn more about the **FHSSS.**

Capital gains tax (CGT) cap

The CGT cap allows small business owners to make non-concessional super contributions from the sale of business assets without them counting towards their non-concessional contributions cap, up to a lifetime limit.

The cap is indexed annually and is $1,780,000 for 2024-25.

This is the maximum amount of CGT-related super contributions you can exclude from your non-concessional contribution limits. There is a small business retirement exemption cap of $500,000 that counts towards the lifetime limit and is not indexed.

Learn more about the **the retirement exemption and 15-year exemption**.

Untaxed plan cap

The **untaxed plan cap** applies to members of untaxed super funds who have not been subject to the 15% contributions tax. The cap limits the concessional tax treatment of these benefits.

The untaxed plan cap amount for the 2024–25 financial year is $1,780,000.

Minimum pension payments

When you retire and start living off your superannuation savings in a super pension or annuity, a minimum amount must be withdrawn each financial year. The payment rate is a percentage of your account balance and depends on your age, as shown in the following table.

Age of beneficiary	*Minimum percentage*
Under 65	4%
65 to 74	5%
75 to 79	6%
80 to 84	7%
85 to 89	9%
90 to 94	11%
95 or more	14%

Source: SIS Act

There is no maximum pension payment. You can withdraw a lump sum or receive the balance of your super account if you choose, unless it is a transition-to-retirement pension that is **not** in the retirement phase. In that case, you are limited to receiving a maximum of 10% of your account balance each year.

Learn more about **minimum pension payments**.

Preservation age

Most super is 'preserved' – that is, it can't be touched unless you meet special conditions – until you reach your preservation age.

On 1 July 2024, preservation age rose to 60 for any person that had not already reached it.

Learn more about your **preservation age.**

Tax on super lump sums

If you receive a lump sum payment from your super, you may or may not pay tax, depending on various factors summarised in the table below.

Lump sum component	Age when lump sum received	Amount subject to tax	Maximum rate of tax (excluding Medicare levy)
Member benefit with a taxable component – the taxed element	Under 60	The whole amount	20%
	Over the age of 60	Nil	N/A
Member benefit with a taxable component – the untaxed element	Under 60	Up to the untaxed plan cap amount	30%
		Above the untaxed plan cap amount	45%
	Over the age of 60	Up to the untaxed plan cap amount	15%
		Above the untaxed plan cap amount	45%
Death benefit lump sum paid to non-dependants with a taxable component – taxed element	Any	The whole amount	15%
Death benefit lump sum paid to non-dependants with a taxable component – the untaxed element	Any	The whole amount	30%
Death benefit lump sum paid to dependants with a taxable component – taxed and untaxed elements	Any	Nil	N/A
Rollover super benefits with a taxable component – the taxed element	Any	Nil	N/A
Rollover super benefits with a taxable component – the untaxed element	Any	Nil up to the untaxed plan cap amount	N/A
	Any	Above the untaxed plan cap amount	45%
Super lump sum benefits less than $200	Any	Nil	N/A
Super lump sum benefits for terminally ill recipients	Any	Nil	N/A

Source: Australian Taxation Office

Transfer balance cap

When you retire and shift your super into the tax-free retirement phase of your super fund from your accumulation account, there is a cap on the maximum amount you can transfer. The current transfer balance cap is $1.9 million.

Learn more about the **transfer balance cap.**

Total superannuation balance

Your total superannuation balance (TSB) is the total amount you hold across all you super accounts on 30 June each year. It's used to determine whether you are eligible for many super-related measures the following financial year.

Some of these measures include carry-forward concessional contributions, non-concessional and bring-forward contributions, government co-contributions and the spouse contributions offset.

Your TSB is calculated by adding all the amounts in your accumulation and pension accounts, plus any rollover super benefit not yet counted in these accounts, and any outstanding limited recourse borrowing arrangement (LRBA) amounts in your self-managed super fund (SMSF).

The table below shows the TSB thresholds that apply to each measure. To be eligible for the measure, your TSB on 30 June of the prior financial year must be lower than the limit shown.

Measure	TSB limit
Co-contribution	$1,900,000
Spouse tax offset	$1,900,000 (for the spouse receiving the contribution)
Carry forward concessional contributions	$500,000
Work test exemption in the first year after retirement	$300,000
Bring forward non-concessional contributions	$1,660,000 for a 3-year bring forward period $1,780,000 for a 2-year bring forward period
Non-concessional contributions	$1,900,000 – the non-concessional contribution cap is zero for balances that have reached the limit

Learn more about the **total superannuation balance rules.**

Income tax rates, levies and offsets

Information on Australia's current income tax rates, levies and offsets, including those affecting retirees, is available below:

- **Income tax calculator**
- **Australian income tax brackets and rates**
- **How does SAPTO work? (Senior Australians and Pensioners Tax Offset)**
- **Guide to the Low Income Tax Offset (LITO)**

Age Pension rates and thresholds

- Discover the current **Age Pension rates**, learn about the **Age Pension income test limits** or the **Age Pension assets test limits**

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