



Contributions and caps

From 1 July 2007, superannuation contributions have been subject to contributions caps. The cap depends on the type of contribution made. Contributions made above the caps incur additional tax.

There are two types of contribution caps, one for non-concessional contributions and one for concessional contributions. Each is explained below.

Non-concessional contributions

These are contributions that you pay from your after tax salary, these are contributions for which you have not claimed a tax deduction.

Type of non-concessional contributions:

1. Member contributions

As a MilitarySuper contributing Member, you must make Member contributions at the rate of 5% every fortnight unless you have elected to cease contributing because you have reached your lump sum Maximum Benefit Limit (MBL) or your contributions have ceased because you have reached your pension MBL. You may also make additional Member contributions above 5%, (as a whole percentage) up to 10%.

2. Additional personal contributions

Additional personal contributions are contributions you can voluntarily make in addition to your regular MilitarySuper contributions.

3. Spouse contributions

Please note: That contributions by your spouse to your superannuation will count towards your contributions limit.

If MilitarySuper does not have your Tax File Number (TFN), we will not be able to accept your non-concessional contributions.



Military
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What is the contribution cap for non-concessional contributions?

From 1 July, 2024, the non-concessional contributions cap is \$120,000 per year, provided certain eligibility requirements are met.*

Your non-concessional contributions up to the cap can be paid in tax free. Contributions above this cap will be taxed at the top marginal tax rate (plus Medicare Levy).

* Further information about the contribution cap for non-concessional contributions is available from the ATO website ato.gov.au/super

Concessional contributions

These are contributions made by your employer on your behalf, for which your employer can claim a tax deduction.

Types of concessional contributions:

1. Salary sacrifice contributions

You can make salary sacrifice contributions into MilitarySuper.

Salary sacrifice contributions are treated in the same way as employer contributions for tax purposes (that is, they are taxed at 15% when they are paid into MilitarySuper). Retention bonuses contributed to MilitarySuper are also classed as salary sacrifice contributions.

2. Productivity contributions

In MilitarySuper your employer makes productivity contributions on your behalf. They are taxed at 15% when entering MilitarySuper.

3. From 1 July 2017, a notional amount called the Defined Benefit Contribution will count towards your concessional contribution cap which represents the unfunded employer component of your benefit.

Your concessional contributions will be taxed at the top marginal tax rate if we do not have your TFN.

What is the contribution cap for concessional contributions?

Replace with: From 1 July, 2024, the general concessional contributions cap is \$30,000 for all individuals, indexed in \$2,500 increments. Concessional contributions above the cap will be taxed at your marginal tax rate (plus Medicare levy and will be counted towards your non-concessional contributions cap.

Further information about the contribution cap for concessional contributions is available from the ATO website ato.gov.au/super

What else do I need to know about the contributions limits?

You'll need to consider all of your super contributions - including your member contributions, productivity contributions paid by Defence and your Defined Benefit Contribution (see above).

Further information about the tax consequences of contributions made to superannuation funds is available from the ATO website ato.gov.au/super

How can I get more information?



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