



Add a little more to multiply your super

**How salary sacrifice can help you
grow your super**



Grow your super with an additional pre-tax super contribution

→ What is salary sacrificing?

When you salary sacrifice your income into super, you sacrifice (or forgo) part of your pre-tax salary, so instead of receiving it in your hand (after tax is deducted), your employer contributes this directly to your super account.

→ Reduce tax and grow your savings

Because salary sacrifice contributions are taxed at just 15% rather than your marginal tax rate (MTR), in most cases, salary sacrificing can be an effective way to reduce the overall amount of tax you pay, while increasing the amount you contribute towards your retirement savings.

→ The earlier you start, the greater the impact

Over time salary sacrifice can make a big difference to your end super balance — even if the amount you contribute is small.

¹ If you were born before 1 July 1960 this is age 55 otherwise it is between age 56 and 60 depending on your birth date.

All contributions to super are generally preserved until you permanently retire on or after your preservation age¹, reach age 65 or meet another condition of release.

Salary sacrifice and SG contributions are counted towards your concessional contributions cap (for 2010/11, this cap is \$25,000, or \$50,000 if you are aged 50 or over at any time during 2010/11).

If your total concessional contributions exceed your cap in a financial year, the excess contributions will be subject to additional tax at 31.5%. This tax may be paid by withdrawing the amount from your super or by you personally. Excess concessional contributions will count towards your non-concessional contributions cap.

Note: Super funds and your employer are not responsible for monitoring your contributions caps. You will need to monitor your contributions going into super so that you do not exceed your contributions caps. Your adviser can help you with this.

What to do next if you would like to salary sacrifice:

- Check that your employer allows you to salary sacrifice into your super
- You should also contact your financial planner or financial adviser to find out whether salary sacrificing is right for you and if so, how much you can contribute without exceeding your contribution caps.
- Call Customer Relations on 132 135, Monday to Friday, 8.00am–6.30pm (AEST).

Things you should know:

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