

# Fact Sheet for individuals

Russell SuperSolution Master Trust

## Contribution Limits

There are limits that restrict the amount you can contribute to super in any particular year before incurring additional tax. These limits apply to both concessional (or before-tax) contributions and non-concessional (or after-tax) contributions.

### What are concessional contributions?

These contributions are made before tax is taken out of your salary. They include super guarantee contributions made by employers' and salary sacrifice contributions. Concessional contributions are taxed at a lower 'concessional' rate of 15%. If your employer subsidises your fees or pays insurance premiums on your behalf, these amounts also count towards your concessional contribution limit.

### What are non-concessional contributions?

These contributions are deducted from your salary after your income tax has been calculated. They include any one-off contributions you make to your super account from your bank account. To make a non-concessional contribution you must be under age 65, or if you are between 65 and 74, you need to meet a 'work test' of

40 hours gainful employment within a 30-day period in the financial year in which you contribute. Members over the age of 75 may not make contributions.

### What happens if I go over my limit?

If your contributions are over your limit, you will be liable to pay more tax. Only the amount above the relevant limit is charged this additional tax. For example, if you contributed \$5,000 more than a limit, extra tax would be charged on this \$5,000, but not on the remainder of your contributions.

Any concessional contributions which exceed the limit will be taxed at 31.5% on top of the 15% already charged when contributions were made to the Fund. This brings the total effective tax rate up to 46.5% which is the same as the top marginal rate (including the Medicare levy). Excess concessional contributions will also be counted towards your non-concessional contribution limit. Any non-concessional contributions which exceed the limit will be taxed at 46.5%.

### » Track your contributions online

You are able to monitor your concessional contributions via the website. Please log in at [www.russell.com.au/super](http://www.russell.com.au/super) and go to the 'Concessional contributions' page under the 'Quotations' menu.

### » Need more information?

If you have any questions about how the limits could affect you, please call our Helpline on 1800 555 667.

### » Need advice?

We have handpicked a panel of qualified financial advisers and trained them on your Fund. Please call our Helpline to be referred.

\* Please note that special rules apply to defined benefit schemes. If you are a member of a defined benefit scheme you should read our Concessional contribution limits for defined benefit members fact sheet.

### Relief for excess contributions

For the 2011/12 tax year, if you exceed your contributions by up to \$10,000 you can be refunded, if it is the first time you have breached the concessional contribution limit. Contributions will then be taxed at your potentially lower marginal tax rate rather than the 46.5% effective excess contributions tax rate.

It's up to you to monitor your contributions. It's also important to remember that the limits are flat, so if you are contributing to more than one super fund you still have the one set of limits to adhere to.

Of course, if you're happy to pay the additional tax a choice to contribute more than the limit is up to you.

### How can I keep track of my contributions?

You are able to monitor your concessional contributions via the website. It is important not to use your payslip to track these contributions, because it will not consider any amount your employer pays towards insurance premiums and fees in your super. Your payslip also cannot take into account when your contributions arrive in the Fund. For example, a contribution deducted from your pay in June may not arrive in the Fund until July, which is in a different financial year.

To track your contributions, log in at [www.russell.com.au/super](http://www.russell.com.au/super) and go to 'Concessional contributions' under the 'Quotations' menu.

### You can see for the financial year to date:

- » amounts contributed by your employer
- » your salary sacrifice contributions, and
- » other concessional amounts.

You can also see totals for the previous year.

You will also need to monitor your non-concessional contributions yourself. Alternatively, you can call our Helpline on 1800 555 667 to find out how much you have contributed if you're unsure.

### What are the limits?

Concessional contributions	Non-concessional contributions
Limited to \$25,000 a year. <sup>1</sup>	Limited to \$150,000 a year. <sup>2</sup>
Concessional contributions include both employer and salary sacrifice contributions. Any contributions in excess of this limit will be taxed at 31.5% in addition to the 15% contribution tax, a total of 46.5%. These contributions will also be counted towards your non-concessional contribution limit.	If you're aged under 65 you can bring forward two years of contributions. For example, a person under age 65 will be able to make up to \$450,000 of contributions in the 2011/12 financial year but will then be unable to make further non-concessional contributions until the 2014/15 financial year without exceeding the limit.
If you're 50 or over, transitional rules allow you to make before-tax contributions of \$50,000 a year, until 30 June 2012. (This will not be indexed)	Any contributions made in excess of this limit will be taxed at 46.5%.

<sup>1</sup> This limit will be indexed to Average Weekly Ordinary Time Earnings (AWOTE). The limit will be increased in increments of \$5,000 once the increase is greater than \$5,000.

<sup>2</sup> The limit for non-concessional contributions will always be six times the limit for concessional contributions.