KnowHow

Steps to claiming a deduction for a super contribution

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You may be eligible to claim a tax deduction if you make a personal contribution to superannuation. There are some important steps and specific timeframes that you need to follow carefully.

What are personal deductible contributions?

A personal deductible contribution (PDC) is a voluntary contribution that you make into your super for which you can claim a tax deduction. These contributions are made with personal savings. PDCs are generally subject to contributions tax of 15%.[1]

Caps apply which limit the total amount you're able to contribute to super. Personal contributions count towards your non-concessional contribution (NCC) cap or concessional contribution (CC) cap depending on whether you claim a tax deduction. If you follow the steps below and claim a tax deduction on personal contributions, these amounts will instead count towards your concessional contribution (CC) cap. To find out whether you could benefit from making a personal deductible super contribution, you should speak to a financial adviser.

Steps	Details	Other considerations
1. Check your contribution eligibility and CC cap	Confirm your eligibility to contribute to super and whether it is appropriate for you. The amount that can be contributed is limited by the CC cap. The general (annual) **CC cap** is: • $27,500 in 2023/24, and • increasing to $30,000 in 2024/25. Your personal CC cap might be higher if you haven't fully utilised your CC cap in any of the five prior financial years and other conditions are met.[2] If so, you may be eligible to make 'catch-up concessional contributions'. Please speak to your financial adviser or refer to ato.gov.au for more information. Information regarding your CC cap can be viewed via your ATO Online account linked to your myGov account.	**Eligibility to contribute – age limits** If you're between ages 67-74 at the time you make the contribution, you'll need to have met a work test or satisfy the work-test exemption. You cannot make a PDC if you're aged 75 or older.[3] **Consider all CCs and timing** Consider what other CCs have been made during the financial year as well as those you're likely to receive from all sources including employer contributions such as super guarantee and salary sacrifice contributions. It's important to also consider possible changes to CCs such as additional employer contributions due to a salary increase or bonuses. If you're not able to accurately predict your CCs, you can wait until closer to the end of financial year to make your PDC. You can make more than one personal contribution throughout the year, but be sure to follow all of the steps below to make sure you're able to claim a deduction for each contribution.

1 If you have income from certain sources of more than $250,000 pa, you'll need to pay an additional 15% tax on your CCs within your CC cap. This is called Division 293 tax. If you're liable, you'll receive a notice from the ATO.
2 For example, your 'total super balance' as at 30 June of the previous financial year must be less than $500,000 to be eligible. Total super balance includes, amongst other things, your superannuation and pension balances
3 Contributions must be received no later than 28 days after the month in which you turn 75. Limitations can also apply to other types of contributions, Refer to ato.gov.au for more information.

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2. Make a personal contribution	Make your personal super contribution once you have worked with your financial adviser to confirm that a PDC is right for you. Be mindful of your fund's cut off dates and payment options.	**Check cut off dates** If you're contributing right at the end of the financial year, it is important to check cut-off dates with your super fund to make sure that your contribution is received and allocated to the right financial year. **Check BPay codes** It is also important to check your contribution payment options with your super fund, making sure if you're using BPay for example, that you use the correct BPay code. Even though a PDC is a CC, you're making a ***personal contribution*** to super which will usually have a different BPay code to, for example, an employer contribution.
3. Lodge a Notice of Intent to claim form with your super fund	The **Notice of Intent** form notifies your fund that you are going to claim a deduction for all or part of the personal contributions that you've made to super. It is a requirement that this form is lodged within certain timeframes. If you don't meet this requirement, your notice will be invalid and you'll be ineligible to claim a tax deduction. Your fund has no discretion to waive this requirement.	**Important timing requirements** You must lodge the form with your super fund before the ***earlier*** of: • the day you submit your tax return for the financial year, or • the end of the following financial year. For example, for PDCs made in the 2023/24 financial year, you must submit the Notice of Intent to your super fund either before you lodge your tax return for 2023/24, or by 30 June 2025, whichever occurs ***first***. You also need to ensure your form is lodged and acknowledged (see **Step 4**) ***before*** rolling over or withdrawing funds, and before you commence an income stream during the year. Refer to **Step 6** and **Step 7** for more information.
4. Receive acknowledgement from the fund	Your super fund will send you an acknowledgement to confirm that they have received your Notice of Intent form.	**Seek tax advice** An ackowledgement only confirms receipt of a ***valid*** Notice of Intent and is not a subsitiute for tax advice. You will need to seek advice from your registered tax agent to claim the deduction in your tax return. Ensure that you retain the letter of acknowledgement and give it to your registered tax agent when your tax return is being prepared. This will remind them to claim the deduction.
5. Submit your tax return	Only after your Notice of Intent is submitted and acknowledgement received should you complete your tax return.	**If you're late in submitting your tax return** Remember that if for some reason you don't complete your 2023/24 tax return before 30 June 2025, you'll still need to make sure your Notice of Intent has been submitted before this date or you won't be eligibile to claim the deduction.

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6. **If rolling over or withdrawing funds, make sure Step 3 and Step 4 are completed first**	You need to ensure you've lodged your Notice of Intent and received acknowledgement from the fund before you withdraw or rollover some or all of the funds in your super account. If you don't lodge your Notice of Intent first, you may only be entitled to a partial deduction, or no deduction at all if you withdraw or rollover the entire balance of your super account.	**If you completed a partial rollover or withdrawal before lodging your Notice of Intent** You'll need to seek advice from your financial adviser or registered tax agent to determine the amount that you're able to claim as a deduction. You must submit a valid Notice of Intent for this amount. Your super fund is not a registered tax agent and cannot do this for you. If you submit a Notice of Intent for the full value of the personal contribution after a parital rollover or withdrawal occurs, the notice is invalid, and you'll need to follow the above steps to resubmit a valid notice. **Be aware** that an automatic rollover that is established to rollover funds periodically to pay for insurance premiums in another super account is a considered a partial rollover. You must ensure that a Notice of Intent is lodged and ackowledged for any contributions made ***before*** the rollover occurs.
7. **If commencing an income stream during the year, make sure Step 3 and Step 4 are completed first**	If you commence an income stream with ***any*** of your account balance before lodging your Notice of Intent and receiving the acknowledgment, you won't be eligible to claim a deduction on personal contributions made before to commencing the income stream.	**No discretion available** Once an income stream has commenced using any of the account balance, any subsequent Notice of Intent relating to contributions made before commencing the income stream is invalid and the super fund has no discretion to accept the notice.

Other important considerations

Change in circumstances

If your circumstances change after you've lodged a valid Notice of Intent, you may be able to submit another form to:

- vary down the amount you intend to claim a deduction for (including to nil), or
- notify your fund that you intend to claim a deduction for additional contributions.

Time limits and other requirements apply. This is a complex area and you should seek advice from your financial adviser and/or registered tax agent.

ATO denies deduction

When you lodge your tax return, you include the value of the deduction for your superannuation contributions that you wish to claim. However, the ATO will assess your tax return and, in limited situations, may deny your entitlement to the deduction as permitted under the legislation. Generally, this will arise if you don't have sufficient assessable income to offset the deduction you are claiming after allowing for other tax deductions.

If the ATO denies your deduction, certain steps must be followed which are similar to varying the amount claimed as a tax deduction (see change in circumstances). However, as time limits and other requirements apply, you should seek advice from your financial planner and/or registered tax agent.

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If you want to make a PDC and split some of your contributions with your spouse

If eligible, you may be able to split some of your CCs, including PDCs, with your spouse. Generally, you'll need to wait to lodge a contribution splitting application with your fund until after the end of the financial year in which the contribution was made (unless you're going to roll over your entire balance to another fund, or withdraw your balance in full, during the financial year). However, you'll need to make sure that your Notice of Intent has been lodged and acknowledged before lodging your splitting application. Speak to your financial adviser if you would like to split contributions into your spouse's account.

Next steps

Contribution rules and eligibility criteria for catch up CCs are complex. This guide is not designed to provide comprehensive information about how the rules work or apply to you. It is important that you speak with your financial adviser, your registered tax agent and visit the ato.gov.au for more information.