

RE: 2025 SUPERANNUATION – CONTRIBUTIONS

With the end of the 2024/25 financial year fast approaching, it is again time to consider the rules concerning contributions made to your self-managed funds or other superannuation funds for this year. Following are some guidelines regarding current rules and ATO requirements.

2025 Financial Year

AGE	MAXIMUM CONTRIBUTION – CONCESSIONAL CAP
All age groups	\$30,000 per person

Employed and self employed people are now able to contribute up to \$30,000 and claim a tax deduction. This \$30,000 includes employer contributions and salary sacrificed amounts.

The Taxation Office may impose potentially large penalties for any individual who exceeds the above limit. Catch up superannuation rules may apply to allow extra deductible superannuation contributions based on the member's age and total superannuation balance. If you want to access these please contact us so we can determine eligibility.

Secondly, continuing for this year 2024/25, a contribution of **at least 11.5%** of ordinary time wages earnings for the year including directors' remuneration is required to meet your superannuation guarantee commitments. This contribution must be made in respect of all employees including working spouses and directors and contributions must be made before the 28th day of the month following the end of each quarter. The 11.5% contribution requirement applies to working directors and is part of the maximum deductible contribution limit mentioned above. Labour only subcontractors may also be eligible for the 11.5% superannuation contribution.

If you fail to meet the required level of contribution before the due date of each quarter, a non-tax deductible superannuation guarantee charge will be imposed by the government. Although due by 28 July, it is recommended that the June quarter contribution be made before 30 June 2025 to ensure your tax deduction in this current year.

You may contribute any amount up to and including the maximum amount per annum for each employee provided you ensure the minimum 11.5% amount is met. Your superannuation contribution is still concessional taxed at 15% as are earnings within the superannuation accumulation fund.

For people aged 67 to 74 you need to satisfy the work test to claim a personal superannuation deduction for the contribution. The work test is satisfied if a person is gainfully employed for 40 hours during a consecutive 30 day period.

- **Please note that some superannuation clearing houses can take at least seven business days to pass the contributions onto the respective fund. The ATO recommends making contributions in sufficient time to allow the funds to be received and allocated by each Superannuation Fund to claim a tax deduction in this financial year.**

Retirement

There are additional rules which apply to funds where the members are above the age of 65 or if you have already retired and commenced drawing a pension. If you are in this category and contemplating retirement, it is recommended that you contact us to discuss your tax position as each person will have a different situation and the ATO has new reporting deadlines for Superannuation Funds (sometimes quarterly). For members who have already retired, **please ensure that you have withdrawn your minimum pension for the year**. If you are not sure of your minimum pension withdrawal amount, you should contact us as soon as possible.

Non concessional cap

In addition to the deductible contribution cap of \$30,000, it is also permissible to make an annual non deductible contribution of up to \$120,000 per person up to age 74. However, extreme care is required should you wish to avail yourself of this opportunity and it is recommended that you confirm your intentions with us to ensure your contribution is within the rules.

If your total superannuation balance is higher than \$1.9m, then you can not make non-concessional contributions. If your total superannuation balance in all funds is higher than \$1.68m then your ability to make non-concessional contributions is restricted.

A reminder for those who have their own self-managed fund, - you are also required to invest your superannuation funds prudently so that retirement benefits will be achieved and be available when you are ready to retire.

Downsizer contributions are potentially available for people over the age of 55 who sold their home after 1 January 2023. Please contact us for eligibility requirements as there are several conditions that must be met.

Funds in pension mode

If your fund has already commenced paying a pension (due to your retirement) there is a minimum amount which must be withdrawn before 30 June 2025. Should this apply to you a separate letter would have been sent to you as your 2024 financial statements were completed to advise of the amount required to be withdrawn.

If you have any concerns or should you wish to discuss the level of your contributions for this year or the taxation treatment of your fund investments please contact our office at your convenience.

From 1 July 2025

Superannuation Guarantee rate increases to 12.0%.

- Concessional contributions remain at \$30,000.
- Non-Concessional contributions remain at \$120,000.

Please contact us regarding your situation before you make further contributions to your fund.

Yours faithfully



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Daniel Hanson

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