



BONGIORNO

For future financial health

Carry Forward Concessional Contributions – First year of expiring unused caps

On June 30th this year, any unused Superannuation concessional contribution limits from the 2018-2019 financial year will be unable to be used in the future.

Starting in the 2018-2019 financial year, the Australian Government legislated the ability to apply unused concessional cap limits from prior financial years. You can apply these unused caps up to five financial years in the future as long as your super balance was less than \$500,000 on June 30th in the prior financial year.

For example:

John received a \$15,000 superannuation guarantee from his employer in the 2018-2019 financial year. His concessional contribution cap is \$25,000. He is allowed to make an additional \$10,000 as a super contribution and get a tax deduction for the full \$10,000; however, he does not have any funds available at the time to utilize this cap.

His super balance on June 30, 2023, was \$250,000. In the 2023-2024 financial year, John has some surplus cash available and is looking to increase his superannuation balance and tax deductions. He receives his \$17,500 superannuation guarantee. His concessional contribution cap is \$27,500.

He still has a \$10,000 limit to meet his current year's cap and he can make an extra \$10,000 to utilise the shortfall from previous financial years. This means he can make a \$20,000 super contribution and receive a tax deduction on the total amount. The oldest unused contribution limits will be used first after the current year's contributions have been used up.

To find out if you should make extra Superannuation contributions, please contact your Bongiorno Financial Adviser.

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