



From 1 July 2020, new rules apply that provide greater flexibility in making voluntary superannuation contributions. Specifically, amendments to superannuation regulations increase the age at which the work test applies. This means individuals will be eligible to make certain contributions before age 67 without having to meet the work test.

Broadly speaking there are two types of contributions you can make; concessional and non-concessional. While these contributions are treated differently, they have one thing in common – the age test that may apply to be able to make the contribution in the first place. Under present rules, individuals are free to contribute to super up until age 65 whether employed or not. After age 65, contributing to super becomes more problematic due to the work test requirement.

The work test requires an individual to be gainfully employed for at least 40 hours within a period of 30 consecutive days. The test applies on a financial year basis.

New rules beginning 1 July 2020 include the following:

- Individuals will be able to perform voluntary contributions if they are under age 67 (currently age 65) without meeting the work test.
- Spouse contributions will be accepted if the receiving member is under age 75 (currently age 70). The work test remains for those aged between 67 and 74.

Post age 75 super contributions remain largely off the table, with the exception of mandated employer contributions and amounts made under the 'Downsizer' provision.

It is also important to note that a Bill (known as the 'More Flexible Superannuation Bill') is presently before Parliament which would allow the non-concessional contribution (NCC) 'bring forward' rule to be utilised by individuals prior to age 67. Should the Bill pass, the additional measure will apply retrospectively to 1 July 2020 and enable individuals aged 65 and 66 to make up to three years of NCCs. The bring forward rule allows eligible individuals to decide to advance the NCC limit from a three-year period and use this over a shorter period (potentially allowing a NCC of \$300,000 in a single year).

If you have any thoughts or questions relating to your ability to perform superannuation contributions please don't hesitate to contact your adviser.