



First Home Super Saver Scheme

Everything you need to know to build
your head start with GuildSuper

What is the First Home Super Saver Scheme?

It's a new and innovative way for you to build your deposit.

In a nutshell, it's designed to help you boost your savings by allowing you to build your deposit via your super account.

What's so good about it?

It could increase the savings you put towards a deposit by around 30%, compared to saving through a standard bank account*.

How does it work?

You simply make extra contributions into your super and then withdraw them, plus the earnings, to put towards your deposit.

How do I make contributions into my super account?

There are a few ways.

- 1** Get your employer to deduct the contributions from your pay, either before- tax, known as salary sacrifice or after-tax. Before-tax contributions are technically called concessional contributions. And after-tax contributions are called non-concessional.
- 2** You can make contributions via BPAY. These will be made after-tax and, so they will be non-concessional.

- 3** You can contribute through your everyday shopping, yes shopping! Saving a home deposit can be tough for some but with GuildSuper as your fund, you will have access to SUPERSUPER, a ground-breaking shop-and-save rewards program, that adds to your super each time you shop. The First Home Super Saver Scheme allows first home buyers to save a deposit using their super account. So you can use SUPERSUPER to help you save that house deposit faster, just from your everyday shopping.

supersuper.com.au



Boosting your deposit through salary sacrifice

Let's say you earn \$50,000 p.a. and salary sacrifice \$5,000 p.a. An annual sacrifice of \$5,000 would reduce your take home pay by only \$3,200 p.a.

Your benefit:

After 6 years of saving, an estimated **\$27,639** will be available for a deposit under the First Home Super Saver Scheme. This is **\$7,795** more than if the saving had occurred in a standard deposit account.

Source: budget.gov.au/estimator/

It's all about the tax

If you were to use a standard bank account to save for your deposit, the money you'd put in would be after you've paid tax at your marginal tax rate.

However, if you put the money into your super account as a pre-tax contribution then you would only pay 15% contributions tax, which is a lot lower than what you're probably paying in income tax.

And because the money is taken straight out of your pay, you may not even notice the impact on your pay each week/fortnight.

If you're self-employed you can claim a tax deduction on contributions you make after tax by BPAY. This means that your savings effectively come out of your pre-tax income.

And the good news is, if your employer does not agree to a salary sacrifice

arrangement, you too could make after-tax contributions and then claim a tax deduction.

You can also make contributions from your take home pay. Although you won't get a tax concession up front, when these contributions are withdrawn they won't be taxed – and you may receive a Government Co Contribution if you earn under \$51,813 per annum.[^]

Is there a limit as to how much I can contribute?

The maximum amount you can contribute towards your deposit each year is \$15,000. And the maximum amount you can contribute towards your deposit in total is \$30,000.

Bear in mind that there are limits to the amount of money that can be paid into your super overall each financial year.

A total of \$25,000 can be put into your super before tax each financial year.

This includes your employers' contributions, your before-tax contributions as well as any contributions you claim a tax deduction for. These are concessional contributions.

A total of \$100,000 can be contributed into your super after-tax each financial year. These are non-concessional contributions.

If you are in a relationship and your partner is also a first home buyer, then you can each make contributions to your super accounts, raising your total deposit to a maximum of \$60,000.

When can I start contributing and when can I withdraw my deposit to buy my new home?

Any personal or salary sacrifice contributions made since 1 July 2017 can be withdrawn from 1 July 2018 onwards.

When you've found the place you want to buy, you can withdraw your savings by applying to the ATO.

The ATO will calculate the amount you can withdraw and any tax payable on withdrawal.

Who isn't eligible?

People who want to purchase the following type of properties:

- Investment property
- any premises not capable of being occupied as a residence
- a houseboat
- a motor home
- vacant land (that they don't want to build on).

If you withdraw from your super to fund your deposit and you do not go ahead with the purchase, then you may have to return the amount you received to the fund or face taxation penalties.

Please refer to the ATO website for further details.

If you're interested in the First Home Super Saver Scheme and would like more information, we have superannuation specialists ready to answer your questions. Just give us a call on 1300 361 477.



We're here to help

 **1300 361 477** (9am – 5pm AEST, Mon – Fri)
 **guildsuper.com.au**

*Sources:

<http://budget.gov.au/estimator/>

https://static.treasury.gov.au/uploads/sites/1/2017/08/Post-passage_fact_sheet_-_First_home.pdf

<https://www.ato.gov.au/Individuals/Super/Super-housing-measures/First-Home-Super-Saver-Scheme/>

^ for financial year 2017/2018

This information was current at the time of publishing. Guild Trustee Services Pty Ltd. ABN 84 068 826 728. AFSL 233815. Trustee for the Guild Retirement Fund (which includes GuildSuper and Child Care Super) ABN 22 599 554 834. RSE Licence Number L0000611. This document contains general advice only and doesn't take into account what you currently have, want and need for your personal circumstances. It is important for you to consider these matters and read the Product Disclosure Statement (PDS) before you make a decision about a superannuation product. You can get a copy of the PDS by calling 1300 361 477.

GLD4918 01/19

