



Contributing to your super

GESB Super and West State Super



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Important note

The information in this document forms part of the Product Information Booklets for GESB Super and West State Super, each dated 1 October 2019. You should read the important information in this document as part of the relevant Product Information Booklet before making a decision.


Boost your retirement savings with super contributions


A recent study by ASFA¹ shows that, in general, a couple looking to achieve a 'comfortable' retirement need to spend \$62,435 a year, while those seeking a 'modest' retirement lifestyle need to spend \$40,719 a year (ASFA's data is based on the assumption that couples own their own homes). By adding more to your super now, you will be in a better position to enjoy a more 'comfortable' retirement later. This brochure explains how you can help grow your retirement savings with the different super contribution options available.

Accessing your super

The purpose of super is to save for retirement, so generally you can't access the money in super until you retire. You should consider seeking advice from a qualified financial adviser that takes into account your personal objectives, financial situation and needs before making any decision about contributing to your super.

For more information about when you can access your super, see our '**Accessing your super**' brochure available at gesb.wa.gov.au/brochures.

 This icon will direct you to more information you may find useful within this document or direct you to the glossary for further explanations about certain terms.

 This icon identifies other information you may find useful when reading this document. It is important that you read and consider all the information relating to GESB Super and West State Super before making any decisions.

¹ Association of Superannuation Funds of Australia (ASFA), Retirement Standard, March quarter 2020, available at superannuation.asn.au/resources/retirement-standard.

1. Summary of concessional contributions

These include contributions made by your employer, contributions made from your salary before your employer deducts any tax (salary sacrifice) and contributions for which you claim a tax deduction.

Superannuation Guarantee (employer contributions)

While you're working, your employer is legally required to contribute Superannuation Guarantee (SG) contributions into your super account, subject to limited exceptions. SG contributions are currently 9.5% of your eligible salary².

These contributions are required by the Commonwealth Government to ensure most people have super to rely on when they retire. Most working Australians receive these contributions.

How and when are these contributions made?

If required by law, your employer must make these contributions at least quarterly, so you don't need to do anything. If you have questions regarding your SG, you can ask your payroll department. Generally, SG contributions can only be made to GESB by a WA public sector employer.

🔍 See page 6 for more information.

Salary sacrifice contributions

These are extra contributions your employer makes to your super account when you agree to give up part of your future salary in return for this benefit. These are paid from your salary before your employer deducts any tax.

Why make these contributions?

The government provides tax incentives to encourage saving for retirement. For many people, salary sacrifice is generally one of the most tax-effective ways to make voluntary contributions to super.

Here's why:

- **You may pay less income tax** - by making salary sacrifice contributions to your super account with before-tax income, rather than making contributions from after-tax income, you could get an immediate tax benefit by reducing your taxable income and reducing your income tax. The amount of the tax benefit depends on your particular circumstances. For more information, read the 'Contribution caps' section on page 6 and the 'Salary sacrifice' section on page 8
- **Salary sacrifice is flexible** - you can easily start, stop or change your salary sacrifice contributions as your situation changes, subject to arrangements with your employer
- **It can be a cost-effective way of growing your super** - you can make salary sacrifice contributions at no cost through your employer if you are a WA public sector employee

How to make salary sacrifice contributions

You can make salary sacrifice contributions through an agreement with your employer. You agree to give up (or 'sacrifice') part of your future salary for extra super contributions.

It's simple – fill in a '**Payroll deduction**' form, available at gesb.wa.gov.au/forms, and give it to your employer. Make sure the amount you wish to salary sacrifice is quoted in the **before-tax** section of the form. They will then send your contributions directly to us on your behalf.

Salary sacrifice contributions are treated as employer contributions for tax purposes. You can generally only make salary sacrifice contributions to us if these come from your WA public sector employer.

🔍 See page 8 for more information.

Tax-deductible personal contributions (GESB Super only³)

These are personal contributions to a taxed scheme, like GESB Super, that you can claim as an income tax deduction on your income tax return if you meet certain eligibility criteria.

Why make these contributions?

You may be able to claim a tax deduction for your personal super contributions. This can reduce the amount of income tax you pay, if you meet the eligibility criteria.

How to make personal contributions

To make personal contributions, you can either:

- Make a lump-sum contribution through BPAY⁴
- Make a lump-sum contribution with a cheque or money order by completing a '**Super contributions**' form available at gesb.wa.gov.au/forms

To find out whether you may be eligible to claim a tax deduction, and how to do so, you should visit gesb.wa.gov.au/factsheets and read our '**How to claim or vary a tax deduction**' fact sheet.

If you are eligible and intend to claim a deduction, you will then need to complete the form called '**Notice of intent to claim or vary a tax deduction**' which is part of our '**How to claim or vary a tax deduction**' fact sheet, for the relevant financial year, available at gesb.wa.gov.au/forms.

You will need to lodge your '**Notice of intent to claim or vary a tax deduction**' form with us before the earlier of these two dates:

- The day you lodge your income tax return for the financial year in which the contributions were made
- The end of the financial year after the financial year in which you made the contributions

Special rules apply if you made a withdrawal or rolled over part of your super during the year. A deduction notice may not be given for the entire contribution if you have withdrawn or rolled over a part of your super benefit.


² 'Eligible salary' is based on Ordinary Time Earnings (OTE) and this term is explained in the glossary. To ensure this document is easy to understand, we use the term 'salary' to mean eligible salary.

³ Due to Federal Government changes to the rules relating to super, West State Super members are not eligible to claim a tax deduction for personal contributions received after 30 June 2017 to West State Super.

⁴ ® Registered to BPAY PTY LTD ABN 69 079 13 518.

Visit the ATO website at ato.gov.au for more information or contact your Member Services Centre on 13 43 72.

Once we receive your valid notice, we will send you an acknowledgment letter to confirm the amount you want to claim. When you complete your income tax return, you can claim a deduction for the amount of the contribution stated in the acknowledgement letter from us.

 See page 10 for more information.

2. Summary of non-concessional contributions

These are contributions that you can choose to make after income tax has already been deducted from the money.

Personal after-tax contributions

These contributions can be made with extra money from your after-tax salary, or from lump-sum amounts such as inheritance, lotto winnings or proceeds of asset sales.

Why make these contributions?

You might choose to make these contributions to:

- **Boost your retirement savings** - if your super account receives more than just the amount your employer is required to contribute, you could have more money in your super when you retire, depending on market changes (which will impact your balance both before and when you retire)
- **Help meet the criteria for a Super Co-contribution payment from the government** - one of the eligibility criteria for the Commonwealth Government Super Co-contribution is that you make an after-tax contribution to your super
- **Pay less tax on investment earnings** - any investment earnings made through your super may benefit from more favourable tax concessions. This means you may pay less tax on these earnings than you would if you were to invest the same amount of money in investments outside your super
- **Continue to grow your super** - if you have already reached the concessional contributions cap for super contributions, you can always make after-tax contributions up to the higher non-concessional contributions cap, which means you continue to grow your super. For more information on contribution caps, see page 6


How to make personal after-tax contributions

You can either:

- Make regular payments by completing our **'Payroll deduction'** form and giving this to your employer – make sure you select the **after-tax** option
- Make a lump-sum contribution through BPAY

- Make a lump-sum contribution with a cheque or money order by completing our **'Super contributions'** form

Visit gesb.wa.gov.au/forms to find the form you need.

 See page 11 for more information.

Spouse or partner contributions


Spouse or partner contributions allow you to contribute money to your spouse or partner's super account. These contributions may assist in growing your joint retirement savings and, if you meet certain eligibility criteria you may be entitled to a tax offset.

Why make these contributions?

There are a number of potential tax benefits in making spouse contributions. These can include:

- You could receive a tax offset of up to \$540 per financial year if certain criteria are met
- The spouse contributions could be tax-free upon withdrawal
- Your spouse or partner may pay a lower rate of tax than you when they withdraw their final super benefit

Your spouse will also be able to access our member benefits if they don't already have a GESB account.


 For more information, visit gesb.wa.gov.au/factsheets to read our **'Spouse contributions'** fact sheet.

How to make spouse contributions

For the first spouse contribution, you and your spouse or partner will need to complete and sign our **'Spouse contributions'** application form.

For further contributions, you will need to complete an **'Additional contributions'** form to verify that you are still living together on a bona fide domestic basis.

Visit gesb.wa.gov.au/forms to find the form you need.

 See page 11 for more information.

There are other options available to you to help you increase your super.

3. Summary of other contributions

Commonwealth Government Super Co-contribution

You may be eligible for a Super Co-contribution – a Commonwealth Government initiative designed to increase the retirement savings of Australians, by matching your personal after-tax contributions. For the 2020/21 financial year, the matching rate is 50% and the maximum Super Co-contribution is \$500 if you meet certain eligibility criteria.

🔗 See page 13 for more information.

Low income superannuation tax offset (LISTO)

You may be eligible for a low income superannuation tax offset (LISTO) – a Commonwealth Government super payment to help low-income earners save for their retirement.

🔗 See page 13 for more information.

Downsizer contributions

The ‘**Contributing the proceeds of downsizing into superannuation**’ (downsizing) measure was introduced by the Australian Government to reduce pressure on housing affordability in Australia.

If you’re aged 65 or over and meet certain eligibility requirements, you can contribute up to \$300,000 from the sale of your family home into your super account.

This contribution doesn’t count towards your contribution caps, and you also won’t be required to satisfy the work test that is normally required for people aged 67 who are contributing to their super.

You may be eligible to contribute up to \$300,000 as an individual, or up to \$600,000 as a couple (\$300,000 into each account).

GESB Super and West State Super can both receive these contributions.

For more information on the downsizing measure, please visit the ATO’s website at ato.gov.au.

Consolidate other super accounts

Every time you’ve changed jobs you may have opened another super account. Keeping track of small amounts of super can be a hassle, and it’s likely that money in these separate accounts is being used up by fees and charges.

We can help you consolidate your super into the account you hold with us.

When you make a transfer into your West State Super or GESB Super account, your super will be automatically invested in your current investment plan. To change your investment plan, log into Member Online at mol.gesb.wa.gov.au or visit gesb.wa.gov.au/forms to download our ‘**Investment choice**’ form.

Choosing to consolidate your super

If you choose to consolidate your super with us, you can:

- Combine all of your super in one place, with only one set of fees
- Simplify your paperwork – so you only have one super benefit to look after
- Consolidate all your funds into one, at no extra cost
- Control how your super is invested by choosing your own investment plan

Why us?

We have over 80 years’ experience managing the super savings of current and former public sector employees. With around 240,000 members and over \$29 billion in funds under management⁵, we’re the largest super fund in WA and one of the largest in Australia⁶.

Find out more on who we are and how we put our members first, by visiting gesb.wa.gov.au/about.

How to consolidate your super

You can combine your other super accounts into the account you hold with us by providing the details online or by printing and completing our ‘**Super consolidation**’ form.

Using Member Online is the quickest way.

Visit mol.gesb.wa.gov.au to login or see our ‘**Member Online help guide**’ at gesb.com.au/molhelp for instructions on how to do this.

If you’d prefer to complete the form, follow these steps:

- Visit gesb.wa.gov.au/forms to download, print and complete a separate ‘**Super consolidation**’ form for each super account you would like to transfer to your GESB account
- Make sure you provide your tax file number (TFN) in the space provided on the form. You don’t have to provide it, but if you don’t, you’ll need to attach original certified copies of proof of identity for each ‘**Super consolidation**’ form you send back to us
- Send your form(s) – and your original certified proof of identity if required – to us and we’ll take care of the rest

What happens next

When we receive your completed form(s), we’ll send you a confirmation letter. We’ll also contact your previous fund(s) to arrange the transfer of your super into your nominated GESB account. We’ll then confirm with you in writing once this transfer is complete.

🔗 See page 13 for other important information.

Visit gesb.wa.gov.au/factsheets to read our ‘**Super consolidation**’ fact sheet.

⁵ This is accurate as at 30 June 2020. Updated information can be found at gesb.wa.gov.au/about.

⁶ Research Solutions, Member and employer satisfaction research, 2020. SuperRatings 2019 Annual Benchmarking Report.

4. Ten things to know about super contributions

1. Employer contributions help to build your super

Employer contributions, otherwise known as Superannuation Guarantee (SG) contributions, are compulsory super contributions made by your employer. These SG contributions are paid directly by your employer into your chosen super account. The current SG contribution rate is 9.5% of your salary based on Ordinary Time Earnings (OTE).

If you have questions regarding your SG contributions, you can ask your payroll department.

Here's an example to help you understand how employer contributions are calculated:

Example

If John earns \$2,000 gross OTE per fortnight, his employer would contribute:

$\$2,000 \times 9.5\% = \190 every fortnight to his GESB Super account.

That's \$4,940 per year.

2. You can make your own contributions

While you're working, your employer contributions will help you to accumulate retirement savings, but this might not be enough to support the retirement lifestyle you would like. By making more contributions to your super, you can help to grow the amount you could have when you retire. The amount of super you'll need for your retirement depends on a number of factors. You should aim to save enough in your super so that, when it's combined with any other investment income you have and any government benefits you may be entitled to, it provides you (and your dependants) with a level of regular retirement income that is appropriate for your personal circumstances.

You can make contributions through:

- Salary sacrifice (before-tax) contributions – see page 8 for more detail
- Tax-deductible personal contributions – see page 9 for more detail
- Personal non-concessional (after-tax) contributions – see page 9 for more detail

Salary sacrifice contributions are treated as employer contributions for tax purposes. You can generally only make employer contributions to GESB if these come from your WA public sector employer.

If you make a personal after-tax contribution, you may also be eligible for the Commonwealth Government Super Co-contribution payment. See page 12.

We can only accept personal contributions if you have provided us with your tax file number (TFN).

3. There are contribution caps

Your super receives tax concessions that can reduce the amount of tax you pay, compared with investing in other types of assets. There are limits, or contribution caps, on the amount that you or your employer can contribute.

The concessional contributions cap limits the amount of concessional (before-tax) contributions you or your employer can make to your super each financial year. If you have more than one fund, all concessional contributions made to all of your funds (including constitutionally protected funds, like West State Super and Gold State Super), are counted towards this cap. Please note this annual cap does not limit the amount of concessional contributions that you can make to West State Super and Gold State Super. However, as these contributions count towards your annual cap, they limit your ability to make further concessional contributions to taxed super funds.

The non-concessional contributions cap limits the amount of non-concessional (after-tax) contributions you can make. If you have more than one fund, all non-concessional contributions made to all of your funds are added together and counted towards this cap.

If you make contributions to super over these caps, then you may have to pay more tax.

The contributions count in the financial year in which they are made to your super fund, which is when your super fund actually receives the money.

i To find out more, visit gesb.wa.gov.au/brochures and read our '**Tax and super**' brochure or visit gesb.wa.gov.au/caps.

Concessional contributions cap for GESB Super

The concessional contributions cap is currently \$25,000 per financial year.

Concessional contributions below your concessional contributions cap are generally taxed at the concessional rate of 15%⁷.

Concessional contributions in excess of the concessional contributions cap will be included in your assessable income and taxed at your marginal tax rate. They are no longer subject to excess concessional contributions tax.

Carry-forward concessional contributions from 1 July 2018

Effective 1 July 2018, you are able to 'carry forward' any unused concessional contributions cap into later financial years. You will be able to access your unused concessional contributions cap on a rolling basis for five years. Amounts carried forward that have not been used after five years will expire.

The first financial year in which you can access unused concessional contributions is 2019/20.

⁷ If you are a high income earner whose adjusted taxable income and low tax contributions exceed \$250,000 then you may be liable for Division 293 tax. It applies to both GESB Super and West State Super members. For more information see our 'Tax and super' brochure available at gesb.wa.gov.au/brochures.

You will only be entitled to contribute more than the general concessional contributions cap and make additional contributions for any unused amounts if your total super balance at the end of 30 June of the previous financial year was less than \$500,000.


To find out more, visit gesb.wa.gov.au/brochures and read our **'Tax and super'** brochure.


Concessional contributions cap for West State Super

West State Super is a constitutionally protected fund and an untaxed fund. Unlike taxed schemes such as GESB Super, employer contributions (including salary sacrifice) made to West State Super are generally not taxed when the contributions are accumulating⁸. Instead, the benefit is taxed at the time of payment. There is an annual cap that limits the amount of concessional contributions you and your employer can make each financial year.

Concessional contributions to constitutionally protected funds, like West State Super, also count towards your concessional contributions cap but are not capped within those schemes. That is, the annual cap does not limit the amount of concessional contributions that you can make to a constitutionally protected fund, however, as such contributions to a constitutionally protected fund count towards your annual cap, they do limit your ability to make further concessional contributions to other taxed super funds.

For example, if you made \$25,000 concessional contributions to West State Super (including your employer contributions) you would not be able to make any further concessional contributions to a taxed scheme. Unless you are entitled to make additional concessional contributions for any unused concessional contributions amounts carried forward. An untaxed plan cap of \$1.565 million⁹ per super fund applies to the untaxed benefit in Gold State Super and West State Super. This is the amount of taxable component - untaxed element that can be paid or rolled over to a taxed fund and still be subject to concessional tax treatment.

 Refer to the glossary for a definition of the taxable component.

 To find out more, visit gesb.wa.gov.au/brochures and read our **'Tax and super'** brochure.

Non-concessional contributions cap for GESB Super and West State Super

Non-concessional contributions are contributions usually made after income tax has already been deducted. You will generally not pay any more tax on these amounts if you are below your non-concessional contributions cap.

For information on the impact of exceeding your contribution caps see our **'Tax and super'** brochure available at gesb.wa.gov.au/brochures.

If your total super balance is \$1.6 million¹⁰ or more at the end of the previous financial year, you cannot make non-concessional contributions without exceeding the cap.

Your non-concessional contributions cap is:

- \$100,000 p.a.¹¹
- If you're aged under 65, you may be able to bring forward one or two years of contributions, depending on your total super balance on 30 June of the previous financial year. If your total super balance is less than \$1.4 million, you can bring forward two years of contributions i.e. \$100,000 plus \$200,000, giving you a cap of \$300,000 over three years¹². It is important to know that you will not be able to use your remaining cap in years two or three if your total super balance on 30 June before the start of the second or third year exceeds the transfer balance cap (\$1.6 million for the 2020/21 financial year¹³). The transfer balance cap is tested each 30 June during the bring-forward period, rather than only on 30 June before the year in which you trigger the bring-forward

Your eligibility for the bring-forward rule will depend on your total super balance.

Contributions in excess of your non-concessional contributions cap will be taxed at the highest marginal tax rate, which is 47% (including a 2% Medicare Levy) in 2020/21. You might choose to withdraw the excess from super rather than be subject to this tax.

To find out more, visit gesb.wa.gov.au/brochures and read our **'Tax and super'** brochure.

Your tax file number (TFN)

It is not compulsory to provide your TFN, but if we do not have your TFN:

- You may have to pay an extra 32% tax on concessional contributions
- We may not be able to accept your personal after-tax or non-concessional contributions
- It may affect your eligibility for the Commonwealth Government Super Co-contribution and low income superannuation tax offset

We will safeguard the privacy of your TFN and only use it in accordance with the *Privacy (Tax File Number) Rule 2015*.

For more information on how we safeguard your privacy, read our privacy statement at gesb.wa.gov.au/privacy.

How to provide your TFN

The quickest way is to use Member Online. Login or register at mol.gesb.wa.gov.au and go to the 'Personal details' page. You can also call your Member Services Centre on 13 43 72, or visit gesb.wa.gov.au/forms to download and complete our **'Tax file number'** form.

⁸ If you are a high income earner whose adjusted taxable income and low tax contributions exceed \$250,000 then you may be liable for Division 293 tax. It applies to both GESB Super and West State Super members. For more information see our 'Tax and super' brochure available at gesb.wa.gov.au/brochures.

⁹ For the 2020/21 financial year, indexed annually in line with Average Weekly Ordinary Time Earnings, and rounded down to the nearest multiple of \$5,000.

¹⁰ For the 2020/21 financial year. This cap will be indexed periodically in \$100,000 increments in line with the Consumer Price Index (CPI).

¹¹ For the 2020/21 financial year.

¹² Where the bring-forward rule has been triggered, the future years' entitlements are not indexed.

¹³ This cap will be indexed periodically in \$100,000 increments in line with the Consumer Price Index (CPI).



4. When you can make contributions depends on your age

All types of contributions can be made into your account if you are aged under 67 and we have your tax file number (TFN). From age 67, you can make the types of contributions set out in the table below.

	Contributions			
	Mandated by your employer ¹⁴	Contributions voluntarily made by your employer ¹⁵	By you ¹⁶	By your spouse
Under 67	Yes	Yes	Yes	Yes
67 but less than 70	Yes	Yes ¹⁷	Yes ¹⁷	Yes ¹⁷
70 but less than 75	Yes	Yes ¹⁷	Yes ¹⁷	No
75 and over	Yes	No	No ¹⁸	No

5. Salary sacrifice can help grow your super

Salary sacrifice can be one of the most tax-effective ways to make contributions to your super account. You arrange for your employer or salary packaging provider to give up the cash component of your future salary or wages by a set amount, and contribute this amount into your super before you pay income tax on it.

Generally, your SG is based on your gross (before-tax) salary, so your decision to salary sacrifice does not impact on the amount of SG you receive.

As salary sacrificed super contributions cannot be used to reduce your SG obligations, the amount that you salary sacrifice does not count towards your SG obligations.


For example, if your Ordinary Time Earnings (OTE) salary was \$50,000 and you salary sacrificed \$2,000 into your super, your employer's 9.5% contribution would still be 9.5% of your total salary of \$50,000, not 9.5% of \$48,000.

The amount you salary sacrifice will be reported by your employer on your PAYG payment summary.


The amount reported will be used in the income tests for determining your eligibility for, but not limited to, the following:

- The spouse super contributions tax offset
- Commonwealth Government super payments (Super Co-contribution and low income superannuation tax offset contribution)
- A deduction for personal super contributions
- All dependant tax offsets
- Services Australia and Centrelink benefits (e.g. Family Tax Benefit, Child Care Subsidy)

Salary sacrifice contributions are treated as employer contributions for tax purposes. You can generally only make employer contributions to us if they come from your WA public sector employer.

 We recommend that you visit gesb.wa.gov.au/factsheets and read our '**Salary sacrifice**' fact sheet for more information.

The example on page 9 might help you to see how you could benefit from salary sacrificing. You may also like to seek advice for your personal circumstances from a qualified financial adviser.

 For more information, visit gesb.wa.gov.au or contact your Member Services Centre on 13 43 72.

¹⁴ Mandated employer contributions are SG contributions required under a certified agreement or an industrial award.

¹⁵ This includes salary sacrifice contributions.

¹⁶ This includes personal non-concessional (after-tax) contributions, and contributions for which a tax deduction has been claimed.

¹⁷ Can be accepted if you have been gainfully employed on at least a part-time basis (worked for at least 40 hours in a period of 30 consecutive days) during the financial year in which the contribution is made. From 1 July 2020, if you're aged 67 to 74, you will normally need to meet the work test in order to make contributions to your super. However, members aged 67 to 74 may be able to rely on a work test exemption if their total superannuation balance was below \$300,000 at the end of the previous financial year.

¹⁸ From 1 July 2018, if you're aged 65 or over and meet eligibility requirements, you can contribute up to \$300,000 from the sale of your family home into your super account. For more information, please visit the ATO's website at ato.gov.au.

Example

Amanda receives an annual salary of \$70,000 and would like to make a voluntary contribution of \$5,200 (\$100 a week) to her West State Super or GESB Super account. She decides to compare her options for making voluntary contributions, to see whether it would be better to contribute from her after-tax salary or her before-tax salary through salary sacrificing.

	No voluntary super contributions	With voluntary contributions (from after-tax salary)	With salary sacrifice contributions (from before-tax salary)
Gross income	\$70,000	\$70,000	\$70,000
Salary sacrifice amount	\$0	\$0	\$5,200
After-tax voluntary contribution	\$0	\$5,200	\$0
Taxable income	\$70,000	\$70,000	\$64,800
Less income tax including the Medicare Levy (based on individual resident tax rates for 2020/21)	\$14,617 ¹⁹	\$14,617 ¹⁹	\$12,795 ²⁰
Contributions tax (15%)	\$0	\$0	\$780 ²¹
After-tax salary	\$55,383	\$55,383	\$52,005
Net amount into Amanda's super	\$0	\$5,200	\$4,420 ²²
Total take-home pay	\$55,383	\$50,183	\$52,005 ²¹
Total benefit (income plus super)	\$55,383	\$55,383	\$56,425

If she enters into a salary sacrifice arrangement with her employer, Amanda can contribute \$5,200 into her super without reducing her annual after-tax income by the same amount. This is achieved by reducing the tax on her taxable income by \$1,822 (\$14,617 – \$12,795), while her take-home pay is only reduced by \$3,378 (\$55,383 – \$52,005).

West State Super is an untaxed fund and there is no tax on salary sacrifice contributions at the time they are paid into her West State Super account. However, tax is payable on her untaxed benefit when it is paid to her or rolled over to a taxed fund or retirement income stream.

i To find out more, visit gesb.wa.gov.au/brochures and read our 'Tax and super' brochure.

6. You might be able to make tax-deductible personal contributions

You may be able to claim a tax deduction for personal contributions you have made or are about to make to your GESB Super account.

If you claim a personal tax deduction for contributions made to your GESB Super account, this will count towards your concessional contributions cap and will generally be taxed at the concessional rate of 15%²³.

Please note: West State Super members can't claim a tax deduction for personal contributions made to their West State Super account after 30 June 2017.

We recommend that you seek professional financial and/or tax advice relevant to your circumstances if you intend to claim a tax deduction for your super contributions.

? If you would like to find out whether you are eligible for a tax deduction, and how to claim, see our '**How to claim or vary a tax deduction**' fact sheet for the relevant financial year at gesb.wa.gov.au/factsheets or contact your Member Services Centre on 13 43 72.

7. You can make personal non-concessional (after-tax) contributions

You can also add to your super account by making personal contributions on a regular or ad-hoc basis.

On a regular basis

Personal after-tax contributions (also known as non-concessional contributions) are deducted from your after-tax salary each pay period, with the amount listed on your pay slip. You can start, stop or change your personal contributions at any time, just by letting your employer know.

On an ad-hoc basis

You can make one off contributions of \$20 or more using BPAY whenever you like. BPAY is an easy and convenient way to make a contribution by phone or internet, from your bank, credit union or building society account. Please note payments cannot be accepted from credit card accounts.

¹⁹ Includes the low and middle income tax offset of \$1080.

²⁰ Includes low income tax offset of \$28 and low and middle income tax offset of \$1080.


²¹ West State Super is an untaxed fund and no contributions tax is applied when the money is accumulating. Instead there is a lifetime limit referred to as an untaxed plan cap of \$1.565 million per super fund for the 2020/21 financial year (indexed annually) that applies to the untaxed benefit. This is the amount of taxable component – untaxed element that can be paid or rolled over to a taxed fund or retirement income stream and still be subject to concessional tax treatment.

²² Salary sacrifice contributions are generally taxed at the concessional rate of 15% within the super fund. If you are a high income earner whose adjusted taxable income and low tax contributions exceed \$250,000 then you may be liable for Division 293 tax. It applies to both GESB Super and West State Super members. For more information see our 'Tax and super' brochure available at gesb.wa.gov.au/brochures.

²³ If you are a high income earner whose adjusted taxable income and low tax contributions exceed \$250,000 then you may be liable for Division 293 tax. It applies to both GESB Super and West State Super members. For more information read our 'Tax and super' brochure available at gesb.wa.gov.au/brochures.

How to use BPAY

- Log in to Member Online at mol.gesb.wa.gov.au (you will need to register first if you haven't already)
- Select the 'Make a contribution' page in the 'Accounts and transactions' area. The BPAY option will display. Make a note of our Biller Code 182493 and your unique BPAY reference number for your super account
- Call your financial institution's telephone banking service or use their internet banking service by following the links in Member Online
- Once you have completed your BPAY transaction, remember to record your receipt number or print a copy for your records

 If you do not have access to BPAY, you can also make a personal contribution by cheque or money order. All you need to do is complete a '**Super contributions**' form, available at gesb.wa.gov.au/forms, and enclose your cheque or money order.

Here's a quick summary of the process for each type of contribution so far.

Contribution type	What you need to do
Salary sacrifice through payroll deduction	<ul style="list-style-type: none">• Check with your employer that they allow salary sacrifice super contributions• Complete our 'Super contributions - payroll deduction' form and any other forms required by your employer• Give all completed forms to your employer
Personal after-tax contributions through regular payroll deduction	<ul style="list-style-type: none">• Check with your employer that they allow after-tax super contributions• Complete our 'Super contributions - payroll deduction' form• Give all completed forms to your employer
Lump-sum personal after-tax contribution	<p>Please note: we are required to send you a confirmation letter every time you make a contribution using BPAY.</p> <ul style="list-style-type: none">• Register for Member Online and use the BPAY option <p>OR</p> <ul style="list-style-type: none">• Complete our 'Super contributions' form and attach your cheque or money order• Send your completed form and cheque or money order to us
Tax-deductible personal contributions to GESB Super	<p>Confirm whether you are eligible to make tax deductible personal contributions – see our 'How to claim or vary a tax deduction' fact sheet for the relevant financial year at gesb.wa.gov.au/factsheets.</p> <p>Step 1 – make a contribution</p> <ul style="list-style-type: none">• Register for, or log in to Member Online and use the BPAY option (if you are over 67, also complete the 'Eligibility to contribute' form and send it to us) <p>OR</p> <ul style="list-style-type: none">• Complete our 'Super contributions' form and attach your cheque or money order• Send your completed form and cheque or money order to us <p>Step 2 – claim a tax deduction</p> <ul style="list-style-type: none">• If you are eligible and intend to claim a deduction, you will need to complete our 'Notice of intent to claim or vary a tax deduction' form, which accompanies the 'How to claim or vary a tax deduction' fact sheet, for the relevant financial year, available at gesb.wa.gov.au/forms• You must lodge this form with us on or before the day you lodge your tax return, or the end of the financial year after the contribution was made (whichever is earlier)• Special rules apply if you made a withdrawal or rolled over part of your super during the year. An acknowledgement letter²⁴ may not be given for the entire contribution if you have withdrawn or rolled over a part of your super benefit. Visit the ATO website at ato.gov.au for more information or contact your Member Services Centre on 13 43 72• Once we have received your valid notice, we will send you an acknowledgment letter to confirm the amount you want to claim

All forms are available at gesb.wa.gov.au/forms.

²⁴ If you have rolled over all of your benefit no deduction is available.

8. You can contribute to your spouse or de facto partner's super account

Contributing to your spouse or de facto partner's super can help you to grow your joint retirement savings, while also taking advantage of some tax benefits. As a GESB member, there are two ways to contribute to your spouse or de facto partner's super:

- You can make extra contributions to your spouse or de facto partner's super savings (called spouse contributions)
- You can split some of the contributions already in your GESB account with your spouse (called contribution splitting)

You can make contributions for your spouse, or your de facto partner who lives permanently with you on a genuine domestic basis.

Spouse contributions

- **Tax offset** – if your spouse's assessable income plus reportable employer super contributions and reportable fringe benefits (total income) is less than \$37,000 a year, the first \$3,000 of spouse contributions are eligible for an 18% tax offset. This is up to the maximum offset of \$540 per year. If your spouse's total income is higher than \$37,000, the tax offset gradually reduces and ceases when your spouse's total income reaches \$40,000. You are not entitled to a tax offset in the financial year if your spouse receiving the contribution exceeds their non-concessional contributions cap for that financial year, or their total super balance equals or exceeds the general transfer balance cap²⁵ for that financial year on 30 June of the previous financial year

Note: First Home Super Saver release amounts are not counted towards an individual's total income.

- **Spouse contributions are tax-free** – spouse contributions are counted towards your spouse or partner's non-concessional contributions cap. They are not subject to contributions tax and are tax-free upon withdrawal

Note: any investment earnings on the spouse contributions will be taxed like any other investment earnings of the super fund. Generally, this is at a tax rate of 15%.

- **Lower tax on Final Benefit** – payments from your spouse or partner's super account may attract a lower tax rate than benefits paid from your super account. For example, if your spouse or partner has reached their Commonwealth preservation age²⁶, is under 60 and accumulates a limited amount of super benefits before they retire, their Final Benefit may fall below the low rate cap and therefore their Final Benefit may be taxed at a lower rate or not at all

Contribution splitting

Contribution splitting allows you to share some of your super contributions with your spouse. You can generally split concessional contributions, such as employer contributions, salary sacrifice contributions and personal contributions for which a tax deduction has been claimed. The amount and type of contribution you can split depends on whether you contribute to GESB Super or West State Super. The spouse on whose behalf you split contributions with, must be either less than the Commonwealth preservation age that applies to them, or aged between their preservation age and under 67 years, and not retired.

There are a number of circumstances where contribution splitting might be beneficial to you and your spouse or partner.


These include:

- If you are younger than your spouse or partner and they retire before you, they can access the 'benefit' earlier and you can both benefit from earlier access, rather than having to wait until you reach retirement age
- If you and your spouse or partner have reached your Commonwealth preservation age²⁶, are under 60 and permanently retired, tax may apply when accessing your super benefits.

By splitting your concessional contributions with them, you can effectively access two low rate caps.

The low rate cap is \$215,000 for the 2020/21 financial year (indexed annually²⁷), so you could access up to \$430,000 at a lower (or nil) tax rate. The low rate cap is a lifetime cap

- If you split with a spouse or partner who is younger than you, you might be able to maximise your Centrelink entitlements


 To find out more about the eligibility criteria and the tax benefits, visit gesb.wa.gov.au/factsheets to read our '**Spouse contributions**' fact sheet. To help you decide if these benefits apply to you, you may want to seek professional financial advice.

The contributions you split with your spouse can be made to your spouse's existing super fund, existing GESB account, or a new GESB account can be opened for them to receive the split contributions.

²⁵ \$1.6 million is the general transfer balance cap for the 2020/21 financial year.


²⁶ Your Commonwealth preservation age is dependent on your date of birth. For more information on your Commonwealth preservation age, read our 'Accessing your super' brochure available at gesb.wa.gov.au/brochures.

²⁷ The low rate cap is indexed annually in line with Average Weekly Ordinary Time Earnings, in increments of \$5,000 rounded down.

 To find out more about splitting your contributions with your spouse or partner, and to see if they are eligible, visit gesb.wa.gov.au/factsheets and download our **'Contribution splitting'** fact sheet. Whether contribution splitting is appropriate for you will depend on your personal circumstances, and you should consider seeking professional financial advice before making a decision.

When can your spouse or de facto partner access their contributions?

As with any other contribution to super, contributions to your spouse or de facto partner's account may not be accessed by them until a super condition of release, such as retirement, is met.

 To find out more, visit gesb.wa.gov.au/factsheets to download our **'Accessing your super'** brochure.

9. You might be eligible for Commonwealth Government super payments

Super Co-contribution

The Commonwealth Government Super Co-contribution is an initiative designed to increase the retirement savings of Australians, by matching 50 cents for every dollar of personal after-tax contributions, up to a maximum of \$500 per year.

If you are a low income earner, you may be able to take advantage of the super co-contribution by making personal after-tax contributions to your super fund. The table below shows the matching rates and thresholds for the 2019/20 and 2020/21 financial years.

Year of the scheme	Maximum co-contribution	Member contribution	Matching rate	Lower income threshold ²⁸	Higher income threshold ²⁹
2019/20	\$500	\$1,000	50%	\$38,564	\$53,564
2020/21	\$500	\$1,000	50%	\$39,837	\$54,837

For the purpose of the income thresholds, income includes assessable income plus reportable fringe benefits and reportable employer super contributions.

Eligibility requirements

You're eligible for a Super Co-contribution payment if you meet all of these criteria:

- You have made one or more personal after-tax contributions to your complying super fund (such as GESB Super or West State Super) in the financial year
- Your total income, which includes reportable employer super contributions and reportable fringe benefits, is less than the higher income threshold for that financial year (\$54,837 for the 2020/21 financial year)
- You lodge an income tax return with the Australian Taxation Office (ATO) for that financial year
- You are under 71 years of age at the end of that financial year
- You receive at least 10% of your total income as an employee or from carrying on a business, or a combination of both
- You do not hold an 'eligible temporary resident visa' at any time during the financial year, unless you are a New Zealand citizen or holder of a prescribed visa
- You have a total super balance less than the transfer balance cap on 30 June of the year before the relevant financial year (\$1.6 million for 2019/20 and 2020/21)
- You have not contributed an amount more than your non-concessional contributions cap for the relevant financial year

How these payments are made

We report members' contribution details to the ATO. The ATO will use this information, together with your income tax return, to determine what Super Co-contribution payment, if any, is payable.

Payments will be made by the Commonwealth Government directly into your GESB account. If you have closed your account in the interim period, the payment will be returned to the ATO and redirected to you or your other super fund.


Salary sacrifice contributions do not attract a Super Co-contribution payment, because they are made from before-tax salary and are treated as employer contributions for tax purposes. If you are eligible for the Super Co-contribution, you may want to contribute some or all of your contributions from after-tax income instead of using salary sacrifice.


You are not entitled to a Super Co-contribution for personal contributions you choose to claim or have claimed as a tax deduction.

You don't need to apply

The ATO will determine your eligibility from details provided on your income tax return and information provided by us. If you're eligible, the Super Co-contribution will be paid directly into your GESB account.

The Super Co-contribution does not count towards your non-concessional contributions cap and must be preserved in your account.

 To find out more, visit gesb.wa.gov.au/factsheets to download our **'Commonwealth Government Super Co-contribution'** fact sheet.

 You can also call the ATO Super Infoline on 13 10 20 or visit ato.gov.au/super for more information.

²⁸ The lower income threshold is indexed annually.

²⁹ The higher income threshold is set at \$15,000 above the lower income threshold.

Low income superannuation tax offset (LISTO)


The low income superannuation tax offset (LISTO) is a government super payment designed to help low-income earners save for their retirement. The payment is essentially a refund of the tax paid on concessional contributions to super, up to a maximum of \$500 per year. It applies from 1 July 2017. West State Super members are not eligible to receive a LISTO.

Eligibility requirements

You're eligible for a LISTO payment if:

- You or your employer made concessional contributions to your complying super fund that is a taxed scheme (such as GESB Super) in the financial year
- Your adjusted taxable income is \$37,000 or less for that financial year
- You receive at least 10% of your total income as an employee or from carrying on a business, or a combination of both
- You have not held an 'eligible temporary resident visa' at any time during the financial year, unless you are a New Zealand citizen or holder of a prescribed visa

The ATO will use available information (such as contributions reporting) to determine your eligibility and will use information provided by your super funds to calculate your entitlement. You need to make sure you have provided us with your tax file number, otherwise we will not be able to accept your LISTO payment.

 Visit ato.gov.au for more information.

10. You can consolidate or roll over your super

If you've worked for a number of different employers, you may have a number of super accounts. Keeping track of small amounts of super can be a hassle, and with multiple accounts, it's likely that you're paying multiple sets of fees and charges.

By consolidating your super, you may be able to minimise the fees you pay. Your super will also be easier to manage when it's all in one place, and you'll reduce the paperwork you receive too.

We do not charge any fees for you to consolidate your other super into your GESB account. However, you should check whether fees are charged by your other funds and what impact (if any) this will have on any insurance entitlements in that fund.

How to consolidate your super with us

The quickest way to combine your other super into your GESB account is by logging into Member Online at mol.gesb.wa.gov.au. See our '**Member Online help guide**' at gesb.wa.gov.au/molhelp for step-by-step instructions on how to combine your super.

Another way to combine your super into your GESB account is to complete our '**Super consolidation**' form, available at gesb.wa.gov.au/forms for each separate super benefit you want to roll over into your GESB account. We are happy to accept photocopied forms but you must sign each photocopy with an original signature.

Make sure you have provided your tax file number (TFN) on the form, as this the quickest and easiest way for super funds to identify you and your money when moving it between funds. Also make sure to call your other super fund to find out their Unique Superannuation Identifier (USI) as this number will help us to complete the transfer.

Once we've received your completed '**Super consolidation**' form, we'll contact your other fund(s) to arrange the rolling over of your super into your GESB account. We'll confirm each rollover in writing once it's complete.

The money you're consolidating into your GESB account will be invested according to your chosen investment plan. If you haven't made an investment choice, all funds will be invested automatically in the default investment plan for your scheme. For GESB Super, the default is the My GESB Super plan, and for West State Super it's the My West State Super plan. You can change your investment plan at any time using Member Online. For more information, visit gesb.wa.gov.au/brochures to read our '**Investment choice**' brochure.

Important note you must read

When you roll over your super from another fund, your entitlements (including entitlements to insured death and disability benefits) in your other fund may cease.

We recommend that you contact your other fund(s) to find out the value of your benefit, details of all applicable fees and impact on insurance coverage. You should also consider seeking financial advice before making a decision.

Your rolled-over super will be classified as either 'preserved' or 'non-preserved' benefits. If you would like to cash any 'non-preserved' benefits, please check with us first before rolling in.

The earnings on any non-preserved benefits that you roll over to us will be preserved. You will not be able to access them until you meet a super condition of release, such as retirement.

5. Glossary of super industry terms

Term	Explanation
Assessable income	This is income that can be taxed, if you earn enough to exceed your tax-free threshold. It is the amount before you deduct any expenses that you are allowed to claim. Examples of assessable income include salary and wages, dividends, interest and rent. Assessable income also includes net capital gains, Eligible Termination Payments (ETP) and other amounts that are not ordinarily classed as income.
Average Weekly Ordinary Time Earnings (AWOTE)	The average wage of employees in Australia, published by the Australian Bureau of Statistics. It is an annual index used in relation to thresholds and limits for super benefits and Superannuation Guarantee.
Concessional contributions	These generally include employer contributions and personal contributions that you notify your fund you intend to claim as an income tax deduction. Employer contributions include Superannuation Guarantee contributions and contributions made under a salary sacrifice arrangement. These contributions are generally taxed at 15% as they enter the fund, which is referred to as contributions tax. Concessional contributions are sometimes called before-tax contributions.
Concessional contributions cap	This is an annual cap that limits the amount of concessional contributions you and your employer can make each financial year. Concessional contributions to constitutionally protected funds, like West State Super, also count towards your concessional contributions cap. This annual cap does not limit the amount of concessional contributions that you can make to a constitutionally protected fund, however, as such contributions to a constitutionally protected fund count towards your annual cap, they do limit your ability to make further concessional contributions to taxed funds.
Consolidating super	'Consolidating' is also known as 'rolling in' or 'rolling over' or 'combining' your super'. These terms describe the action of bringing any money held in super accounts with other providers into one super account.
Employer contributions	These are the contributions employers make to a super fund for their employees. It includes salary sacrificed amounts. These are deductible (subject to certain rules) to employers and are generally assessable contributions to the super fund. These are generally concessional contributions.
Indexed	Linked to an index to take account of increases in Consumer Price Index (CPI), inflation etc.
Low rate cap	The low rate cap is the limit set on the amount of the taxable component of a super lump-sum payment that you can receive at a lower (or nil) rate of tax. The low rate cap applies if you have reached your Commonwealth preservation age, but are below 60 and is \$215,000 for the 2020/21 financial year.
Lump-sum personal contributions	These are one-off personal contributions you make to your super.
Medicare Levy	Medicare is the scheme that gives Australian residents access to health care. To help fund the scheme, most taxpayers pay a Medicare Levy on their taxable income. The Medicare Levy is 2% of your taxable income, for the 2020/21 financial year.
Non-concessional contributions	These are contributions your fund does not pay tax on because you have paid income tax on this money already. These include personal contributions that you do not claim as a deduction in your individual tax return and contributions made by your spouse to your super account on your behalf. These are sometimes called after-tax contributions.
Non-concessional contributions cap	The limit on the amount of non-concessional contributions you can make each financial year. This cap applies to contributions made to both GESB Super and West State Super and other superannuation funds.
Ordinary Time Earnings	Ordinary Time Earnings are generally what you earn for your ordinary hours of work, including: <ul style="list-style-type: none"> • Over-award payments • Bonuses • Commissions • Allowances • Shift loading

Personal (after-tax) contributions	These are non-concessional contributions you choose to make to your super fund from your after-tax income.
Reportable employer super contributions (RESC)	Reportable employer super contributions are salary sacrifice or extra super contributions made by your employer, in addition to employer SG contributions. Reportable employer super contributions may affect your income tax liability and your access to some government benefits.
Reportable fringe benefits	A fringe benefit is a benefit either you or an associate, such as your spouse or children, receive because of your employment. A benefit is any right, privilege, service or facility you receive, e.g. the use of something (like a car, house or equipment), ownership of something (such as items of clothing) or enjoyment of a privilege or facility (such as staying at a holiday home). A reportable fringe benefit occurs when the taxable value of certain benefits provided to you exceeds \$2,000 (in a fringe benefits tax year being 1 April to 31 March). Your employer must record the grossed-up taxable value of these benefits on your payment summary for the corresponding financial year.
Rolling in or rolling over super	See 'consolidating super'.
Salary sacrifice	Salary sacrifice can be a tax-effective way to make contributions to your super account. Salary sacrifice contributions can be made through a contractual agreement with your employer (called a salary sacrifice arrangement). You agree to give up part of your future before-tax salary and it is paid to your super account instead of having it paid to you as a salary.
Spouse	A spouse includes: <ul style="list-style-type: none"> • A person that you are in a registered relationship with, and/or • A person that you live with on a genuine domestic basis in a relationship as a couple
Superannuation Guarantee, 'SG' contribution (employer contribution)	Also known as 'SG', mandated or employer contributions. These are payments that your employer is required by law to pay into your super fund. Your employer generally contributes at the SG rate (currently 9.5%) of your eligible salary and these amounts will likely be itemised on your pay slip.
Super Co-contribution	The Super Co-contribution is a Commonwealth Government measure to boost super savings. Subject to certain conditions and income limits, the Commonwealth Government may match up to 50% of your personal after-tax contributions to your super with an additional super payment known as a 'Super Co-contribution' (up to a maximum of \$500 a year).
Tax-free component	The tax-free component is generally made up of: <ul style="list-style-type: none"> • Your personal contributions not claimed as income tax deductions • Commonwealth Government Super Co-contributions • Spouse contributions
Tax offset	Tax offsets reduce the amount of tax you must pay. The ATO calculates the tax liability on your taxable income then reduces it by the total of your tax offsets, up to the amount of tax liability. A tax offset will generally not be refunded if your tax liability is less than the total tax offsets available.
Taxable component	The taxable component is the value of the super interest less the tax-free component. This component may consist of a 'taxed element' and an 'untaxed element' depending on the source of the super money. For example, West State Super is an untaxed fund and the taxable component in that fund will generally consist of an untaxed element. However, GESB Super is a taxed fund and the taxable component will be a taxed element.
Taxed scheme	A taxed scheme is a super fund where tax is paid on contributions and earnings while the money is accumulating. Most people have their super accounts in taxed funds. GESB Super is a taxed scheme.
Untaxed scheme	An untaxed scheme is a super fund where the government does not tax either your contributions (including concessional contributions that you or your employer make), or your investment earnings. Instead of paying tax upfront, tax is paid when your benefit is paid to you or rolled over to a taxed super fund or retirement income stream. West State Super is an example of an untaxed scheme.

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 **How to contact us**

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