

Downsize your home and grow your super

Thinking of downsizing your home? From 1 July 2018, the Government will loosen up the rules and allow eligible Australian homeowners the opportunity to contribute money from the sale of their family home into super.

How it works

If you're 65 years or older and sell your primary residence, you may be eligible to contribute up to \$300,000 as an individual or \$600,000 as a couple into super from the proceeds of sale. The amount you can contribute to super can't be greater than the total proceeds of the sale of your home.

Eligibility

You may be eligible to make a downsizer contribution if:

- › you're 65 or older
- › your home is in Australia and is not a caravan, houseboat or other mobile home
- › the contract sale for your home is exchanged on or after 1 July 2018
- › your home is owned by you and/or your spouse and has been for 10 years or more prior to the sale
- › you have not previously made a downsizer contribution from the sale of another home.

You can find the full list of eligibility criteria on the Australian Taxation Office (ATO) [website](#).

If you sell your home, are eligible and choose to make a downsizer contribution, there is no requirement for you to purchase another home.

Examples from 1 July 2018



1. Jenny and Tom are both 67 and sold their family home they have lived in for 10 years for \$800,000 on 1 July 2018. Using the new downsizing contribution rules they can add up to \$300,000 each to their super accounts.



2. If Jenny and Tom's house sold for \$400,000 on 1 July 2018, they could each contribute \$200,000 to their super. If they wanted to add more to Jenny's super, they could split the contributions by adding \$300,000 to Jenny's super and \$100,000 to Tom's super.



Tax, caps and the Government Age Pension

You won't pay tax on the money you add to super from the sale of your home and it won't count towards contribution caps. However, if you move your super to a retirement income account (like Choice Income) it won't be exempt from the transfer balance cap.

A downsizer contribution is not tax deductible and may affect your Age Pension eligibility through the asset test, and is also exempt from the work test, meaning you don't have to be working a minimum amount of hours to be eligible to make a downsizer contribution to super.

How to contribute

From 1 July 2018 you can make a downsizer contribution into super by completing a contribution form available from the ATO's website. You'll need to tell AustralianSuper before making the contribution. You can contact us using the details below.

Any downsizer contributions generally must be made within 90 days of the sale of your home, which is usually the date of settlement.

If you need more time

You may be eligible for an extension from the ATO to make a downsizer contribution. Before granting the extension, the ATO will consider the circumstances causing the delay that are outside of your control.

Contact us

Call **1300 300 273**
(8am to 8pm AEST/AEDT weekdays)

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