

Time to move or downsize?

To help boost the retirement savings of older Australians the federal government has introduced a new measure giving them the opportunity to release built-up equity through selling their home.

What is the downsizing contribution?

The changes allow you to contribute up to \$300,000 from the proceeds of the sale of your main residence to your superannuation. For couples, they can contribute a combined total of \$600,000 for the sale of the same home (\$300,000 each).

When will this take effect?

The contract of sale must be exchanged on or after 1 July 2018.

Who is eligible?

People aged 65 and over, working or retired, and have not previously made a downsizer contribution to their super from another home.

You or your spouse must have owned the home for at least 10 years prior to the sale of the house.

What kind home does this **not** apply to?

Caravan, houseboat or mobile home.

What is the timeframe for contributing?

The contribution must be made within 90 days of receiving the proceeds of sale (usually the settlement date).

What about contribution caps?

Downsizing contributions are not a non-concessional contribution and will not count towards contributions caps. They are also exempt from the \$1.6 million transfer balance cap so anyone who has a balance greater than \$1.6 million will be able to make a downsizing contribution.

Downsizing contributions will not affect total super balances until they are re-calculated at the end of the financial year. The downsizing contribution, however, will count towards the \$1.6 million transfer balance cap when super is moved into a retirement phase super account. To avoid going over the cap any excess can stay in an Accumulation account.

The existing 'work test' for voluntary contributions made by those Australians aged 65-74 does not apply to downsizing contributions.

What about the Age Pension?

If you are considering downsizing please seek financial advice before acting, because selling your primary place of residence, which is exempt from the Age Pension assets test, might change how much you are eligible to receive.



More information

For more information please visit the ATO:

<https://www.ato.gov.au/Individuals/Super/Super-housing-measures/Downsizing-contributions-into-superannuation>

Need more help?



We know your super inside out, so you don't have to worry!

The easiest way to plan for retirement is to contact your Vision Super financial planner. They can help you take advantage of the complex rules and regulations that govern super to get the best result for you. To book your appointment, please contact our Member Services team on **1300 300 820**. You can also refer to our website for forms and other fact sheets.

The fine print we want you to read: We **do not** receive brokerage fees or commissions for recommending any products.

This information was current at the time of publishing. Vision Super believes the statements are correct and not misleading but we give no warranty in relation to them. Save for any statutory liability, we disclaim all liability for any loss or damage that may arise from anyone acting on these statements. All services and products detailed herein are subject to Australian laws that may change from time to time. This information is general information only and not intended to act as financial advice. Remember, your circumstances and financial needs are unique. Before acting on the basis of anything contained in this document, you should consider whether it is appropriate to your needs and circumstances. You should obtain and read the relevant Product Disclosure Statement before acquiring any financial product. We suggest you seek professional advice to make the best choice for your circumstances. Where tax information is included you should consider obtaining tax advice. Vision Super Pty Ltd ABN 50 082 924 561 Australian Financial Services Licence 225054, is the Trustee of the Local Authorities Superannuation Fund ABN 24 496 637 884.