

Super Knowledge

Low income superannuation contribution

The Government provides a contribution equal to 15% of concessional contributions made, up to \$3,333, for low income earners with an adjusted taxable income 1 of up to \$37,000. The maximum contribution paid is \$500 (not indexed).

A person is entitled to the low income superannuation contribution if they satisfy the following requirements:

- The individual has concessional contributions for the year.
- The individual's adjusted taxable income does not exceed \$37,000.
- The individual is not a holder of a temporary resident visa (New Zealand citizens in Australia do not hold a temporary resident visa and are as such, eligible for the payment).
- The individual satisfies an income test in which 10% or more of their total income is derived from business or employment.

Where a client's calculated low income superannuation contribution is less than \$10, it is rounded up to \$10. The low income superannuation contribution is a different payment from the Government co-contribution and an individual's entitlement to this payment will be the subject of a separate determination. The low income superannuation contribution is payable even if an individual is not entitled to the Government co-contribution.

Low income super contribution proposed to be abolished

The Government proposed abolishing the low income super contribution effective 1 July 2013. As of the 5th June 2015 the LISC is still valid.

If you would like further information please do not hesitate to contact me at: sol.forman@formanfinancialservices.com.au or call on 9369 2443

Disclaimer and Warning

The information above is of a general nature only. It should not be used as a source to make financial decisions. It's also important to note that the legislation and figures related to this topic tend to change regularly and therefore the information above may not reflect the current status. We recommend that if you are looking for advice on this matter, you should contact [us](#)

