

Downsizer

contributions into super

If you're 65 or over, you can sell your family home and inject up to \$300,000 of the profits into your super account.

Are you eligible?

If you'd like to make a downsizer contribution into your super from the proceeds of selling your home, you must:

- be 65 or over at the time the contribution is made
- have owned your home for 10 years or more (or your spouse must have owned it for 10 years or more)
- not have previously made a downsizer contribution to your super
- make the contribution within 90 days of the home changing ownership (usually the date of settlement)
- send us a completed Downsizer Contribution Form when making your contribution. You can download the form at lucrf.com.au or from the Australian Taxation Office website at ato.gov.au/forms/Downsizer-contribution-into-super-form/.

Your home must:

- be in Australia
- be in a contract of sale entered into on or after 1 July 2018
- not be a houseboat, mobile home or caravan
- qualify for the main residence capital gains tax exemption in whole or in part.

How much of the sale proceeds can you contribute into your super?

The maximum that can be contributed is \$300,000* for individuals, or up to \$600,000 for couples. While downsizer contributions can be made in instalments, they cannot exceed the \$300,000 (or \$600,000 for couples) cap, or the 90-day time frame limit.

*The maximum amount for an eligible downsizer contribution is the lesser of \$300,000 or an individual's share of the sale proceeds.

Are downsizer contributions included in the contributions caps?

No. Conditions related to typical non-concessional or after-tax contributions don't apply to eligible downsizer contributions. This means a downsizer contribution:

- does not count towards the non-concessional contributions cap
- can still be made if your total super balance is over \$1.6 million
- is not affected by the total super balance test in the year that you make it
- is not restricted by an upper age limit
- can be made regardless of whether you're working or not (the work test is not applicable).

However, the downsizer contribution will count towards the \$1.6 million transfer balance cap, which applies when you move your super into retirement phase.

What else do you need to know?

Downsizer contributions:

- can only be made from the sale of one home in your lifetime
- are not tax deductible
- will be taken into account for determining eligibility for the Age Pension.

Need advice?

Selling your home and making a downsizer contribution into your super from the proceeds may be useful for you depending on your circumstances. If you're considering this, getting financial advice may help. Call us on **1300 130 780** to speak to a LUCRF Super financial adviser over the phone or to arrange a face-to-face consultation.

Contact us

1300 130 780

lucrf.com.au

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