Super and saving for your first home

Fact sheet

Trying to save a deposit for your first home? The good news is that your super may be able to help.

Thanks to the government's First Home Super Saver Scheme, you could save for a deposit sooner by taking advantage of the special tax treatment your super savings enjoy.

Here's how it works

You're saving for your retirement with the Superannuation Guarantee (SG), the money your employer puts into your super for you. You can also add to your super by making your own extra voluntary contributions on top of the SG - either before-tax contributions like salary sacrifice, or personal after-tax contributions.

The First Home Super Saver Scheme lets you take out the *extra* money you've put into your super since 1 July 2017 and use it as a deposit to buy or build your first home.

Am I eligible?

You can use the First Home Super Saver Scheme if you:

- are aged 18 years or older
- haven't previously owned property in Australia (if you've experienced financial hardship that resulted in the loss of all property interests, talk to the ATO as you may still be eligible)
- haven't already requested release of your super savings under the First Home Super Saver Scheme.

How much can I save?

You can release up to $15,000 per financial year and $50,000 in total under the First Home Super Saver Scheme. Any extra contributions you make to your super above this amount stay in your super until you retire or meet another condition of release.

Check out how much you could save towards your first home using our First Home Super Saver Scheme calculator. Just go to **go.rest.com.au/FHSS-Calculator**

What can I withdraw?

You can withdraw voluntary contributions including:

- pre-tax contributions (salary sacrifice or personal deductible contributions)
- personal after-tax contributions.

You won't be able to withdraw:

- Superannuation Guarantee or other contributions under an award or enterprise agreement
- spouse contributions
- government contributions such as co-contributions
- contributions above government caps
- defined benefit contributions.

How much can I withdraw?

You can withdraw up to:

- 100% of your eligible after-tax contributions
- 85% of your eligible before-tax contributions.

The amount you withdraw will also include associated earnings calculated on your eligible contributions. The rate of earning is set by the ATO, and might be different to actual earnings.

How do I apply?

- ask the ATO for a determination where they'll tell you the maximum amount that can be released - you can do this online using your myGov account linked to the ATO
- when you're ready, you can make a request to the ATO to release the amount, again using your ATO linked myGov account
- you can now enter into a contract to buy or build your home - you'll need to do this within 12 months from the date you make a valid release request to the ATO (you can apply for an extension). You can also enter into a contract *before* you apply to the ATO for release of your super, as long as you already have a determination from the ATO, and you make a release request within 14 days of entering into the contract.
- the ATO will ask Rest to take that amount from your super account, and send to the ATO
- when they receive the amount from Rest, the ATO will take out the right amount of tax, and pay the balance to you - the ATO estimates this will take 15-20 business days
- you'll also need to move into your new home and live in it for at least 6 of the first 12 months after you've moved in.

What if I don't end up buying a home?

Sometimes plans change or don't work out. So, if you don't end up buying a home, there are two things you can do:

- contribute the assessable released amount back into your super, or
- pay the First Home Super Saver Tax which is equal to 20% of the assessable released amount.

What about tax?

Eligible after-tax contributions are released to you tax free. The ATO are responsible for the withholding of tax on the released amounts of eligible before tax contributions and associated earnings. This is taxed at your marginal rate, including the Medicare levy, less a 30% tax offset. Alternatively, the ATO will withhold 17% tax where they are unable to estimate your marginal rate. The ATO will send you a payment summary at the end of the financial year showing how much super was released to you so you can complete your tax return.

If there's anything we can do

rest.com.au

Live Chat at rest.com.au
Monday to Friday 8am – 10pm, Saturday 9am – 6pm and Sunday 10am - 6pm AEST

1300 300 778
Monday to Friday 8am – 8pm AEST

Download the Rest App

Need advice about the First Home Super Saver Scheme?

It's a good idea to have a chat with a financial adviser. They can help you decide if the scheme's right for you, check your eligibility, look at how much tax you might save, and let you know about the tax implications if you don't use the money to buy your first home.

Here's an example of how the scheme can help

Alexander and Vera have incomes of $65,000 and $55,000 and estimate that they can set aside $6,400 (combined) from their pay after tax.

Instead of putting this money in a bank account, they decide to salary sacrifice $5,000 per year each into their super. After six years of salary sacrificing, they have combined available savings of $56,148* in their super fund for a deposit under the First Home Super Saver Scheme.

By putting extra into their super, they've saved a combined $15,706 more compared with contributing after tax income into a bank account with an interest rate of 1%.

Get started and watch your voluntary contributions grow

To see how easy it is to make extra contributions to your super, visit **rest.com.au/grow**

And you can check how your voluntary contributions are adding up in the Rest App. Go to **rest.com.au/app** to download and learn more.

*Based on associated earning rate of 4% per annum.