

Downsizer contribution – putting more into your super for retirement

Are you aged 65 or over and thinking about downsizing your family home?

From 1 July 2018, you can contribute up to \$300,000 (or \$600,000 for a couple) of any profit you make from the sale of your family home to your super. Your downsizer contribution will not count towards your contribution caps.

What else do I need to know?

- You must have owned your family home for ten years or more, and this excludes investment properties, holiday homes, house boats, caravans or other mobile homes.
- The amount you are contributing is from the proceeds of selling your home where the contract of sale was exchanged on or after 1 July 2018.
- Your contribution must be made within 90 days of receiving the proceeds of sale, which is usually the date of settlement and you have provided your super fund with the downsizer contribution form either before or at the time of making your downsizer contribution.
- You can only make a downsizer contribution for the sale of one home, so you can't access it again for the sale of a second home.
- The proceeds (capital gain or loss) from the sale of the home are either exempt or partially exempt from capital gains tax (CGT) under the main residence exemption, or would be entitled to such an exemption if the home was a CGT rather than a pre-CGT (acquired before 20 September 1985) asset.
- You'll need to consider the transfer balance cap, which means no more than \$1.6 million can be transferred from your super account into a tax-free super income stream.

To find out more

As with any financial decision as you approach retirement, we encourage you to speak to a financial adviser. For more information about the downsizer contribution, including the full eligibility criteria and how to make a contribution, please visit the [ATO's website](#)

This information is current as at 15 May 2018.

This information is of a general nature and is not intended to provide you with financial advice or take into account your personal objectives, financial situation or needs. Before acting on the information, consider its appropriateness to your circumstances and read the Financial Services Guide, Product Disclosure Statement, Additional Information Booklet and Insurance Guide, available at australianethical.com.au/super/pds. You may wish to seek independent financial advice from a licensed financial adviser or tax adviser before making any decisions.