



Australia increases super caps, SG maximum contribution base

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Australia's superannuation contribution caps and superannuation guarantee (SG) maximum contribution base will increase from 1 Jul 2021. The increases feature in updated superannuation rates and thresholds published by the Australian Taxation Office.

Increased general concessional contributions cap

The general concessional contributions cap will increase to A\$27,500 in 2021/2022 — up from A\$25,000 in 2020/2021, and is the first increase since 2017. Concessional contributions include employer contributions and personal contributions claimed as a tax deduction.

Personal concessional contributions cap

- Individuals who are eligible to carry forward their unused concessional contribution caps from previous years could exceed the A\$27,500 cap in 2021/2022 by making additional concessional contributions for unused amounts from previous years.
- To be eligible for carry forward, individuals must have a total superannuation balance of less than A\$500,000 calculated on 30 Jun 2021, and must have contributed concessional contributions not exceeding A\$75,000 over three financial years (2018/2019, 2019/2020, and 2020/2021). Unused contribution cap amounts can be carried over for up to five years, after which time they expire.

General non-concessional cap

- The general non-concessional cap for an income year is calculated at four times the general concessional contributions cap. For 2021/2022, the cap will increase to A\$110,000, up from A\$100,000. Non-concessional contributions include personal contributions which individuals have not claimed an income tax deduction.
- The bring forward option for individuals under the age of 65 on 1 July will be capped at A\$330,000 in 2021/2022. Eligible individuals are allowed to make contributions of up to three times the non-concessional limit in the first year of a three-year period, and also must fulfill other eligibility criteria.

- Individuals who have a total super balance of A\$1.7 million or more calculated at 30 Jun 2021 (up from A\$1.6 million) will have a zero non-concessional cap.

SG maximum contribution base

The SG maximum contribution base will increase in 2021/22 to A\$58,920 per quarter and A\$235,680 per year, up from A\$57,090 and A\$228,360 respectively. The maximum super contribution base is used to determine the maximum limit on any individual employee's earnings base for each quarter of any financial year. Employers do not have to provide the minimum support for any part of the earnings exceeding this limit. Also, the SG is due to increase from 9.5% per year to 10% from 1 Jul 2021; however, the government has flagged that it may review this in the upcoming 2021-2022 budget to be delivered on 11 May.

Related resources

- [Key super rates and thresholds](#) (Australian Taxation Office, 31 Mar 2021)
- [Concessional contributions](#) (Australian Taxation Office, 31 Mar 2021)
- [Excess concessional contribution charge](#) (Australian Taxation Office, 31 Mar 2021)
- [Maximum super contribution base](#) (Australian Taxation Office, 31 Mar 2021)

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