Changes to your super from 1 July 2022

There are some changes to superannuation rules that will take effect from 1 July 2022. These changes are intended to make it easier for people to grow their retirement savings. Take a look at what's changing.

This information is general only and does not take into account your individual circumstances.

Reduction to the minimum pension payments extended for another year

The Government has extended the measure introduced in March 2020, in response to combat the financial impacts of COVID-19. The measure allows retirees to withdraw half the normal minimum amount from their super as income. The extension applies until 30 June 2023.

Superannuation guarantee increasing to 10.5%

From 1 July 2022, the super guarantee will increase from 10% to 10.5%. This is the minimum percentage of a person's salary (ordinary time earnings) that their employer must pay into their superannuation. Further increases of 0.5% are scheduled each year, until it reaches 12% in 2025. The increases aim to reduce financial pressure on the Age Pension, off-setting Australia's ageing population and improving financial outcomes at retirement.

Work test removed for people aged between 67 and 74

Currently people aged between 67 and 74 have to satisfy the work test (or qualify for an exemption) to be able to make voluntary contributions to super. This means proving that you worked for at least 40 hours in a 30-day consecutive period.

Bring-forward rule age limit will increase to 75

The 'bring-forward' rule allows you to use up to three years' worth of your future non-concessional (after-tax) contribution caps over a shorter period – either all at once or as several larger contributions – without having to pay extra tax.

Currently, you need to be under 67 at any time during the financial year to be eligible to use the bring-forward rule. From 1 July 2022, the age limit will increase to 75.

Other eligibility rules will continue to apply, such as the total super balance limits.

Age threshold for downsizer contributions lowered

From 1 July 2022, the minimum age to make a downsizer contribution will be lowered from 65 to 60, allowing eligible Australians to make a one-off contribution of up to $300,000 per person when they sell their family home.

$450 monthly income threshold removed

Super guarantee contributions are the mandated contributions that your employer puts into your super on your behalf. Until now, employers haven't had to make these contributions if an employee earns less than $450 in a calendar month.

From 1 July 2022, the $450 monthly income threshold will no longer apply. This is a great outcome for low-income earners.

First Home Super Saver Scheme

People saving up for their first home can use the First Home Super Scheme (FHSS) to grow their deposit amount. From 1 July 2022, first home buyers can access a maximum of $50,000 per person from their super savings through the First Home Super Saver (FHSS) scheme. This is up from $30,000. The annual contribution amount remains the same, capped at $15,000 per year.

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