Boosting your super with the government co-contribution

The government co-contribution scheme encourages people to save for their retirement by rewarding them for making voluntary contributions to their super with a co-contribution of up to $500 per year.

What is a co-contribution?

To encourage you to save for your retirement, the government has a co-contribution scheme where they contribute up to $500 per year into your super account, if you are eligible.

How much the government contributes depends on your income and amount of the non-concessional (after-tax) contribution that you make to your super.

This is a great opportunity to boost your retirement savings, and there is no extra paperwork involved. The government will calculate your eligibility and the co-contribution amount, and pay it into your super automatically when you lodge your tax return.

Who is eligible?

The co-contribution is available to low to middle income earners who make after-tax contributions to super. You are eligible if you:

- Have a total income of less than 60,400 p.a. (for the 2024–25 financial year),[1] and
- At least 10% of that income is from your job or business.[2]
- Make an after-tax contribution to your super account.[3]
- Are less than age 71.
- Have a total super balance of less than $1.9 million at 30 June of the previous year.[4]
- Lodge your tax return for the relevant financial year.

1 Total income is the sum of your assessable income plus reportable fringe benefits plus total reportable super contributions reduced (but not below zero) by any excess concessional contributions less the sum of any allowable business deductions plus any first home super saver released amounts.

2 To satisfy the 10% test, at least 10% or more of total income must come from either employment-related activities, carrying on a business or a combination of both. For this test, your total income is not reduced by allowable business deductions.

3 The non-concessional contribution cannot exceed your non-concessional cap and you cannot claim a tax deduction for the contribution.

4 Total super balance is generally the total value of your super accumulation and pension accounts.

What co-contribution will I receive?

The government pays a co-contribution of up to 50 cents for every dollar you contribute to super as an after-tax contribution, up to a maximum of $500. The minimum you can receive is $20.

For example, if a person eligible for the full co-contribution makes an after-tax contribution of $1,000 to their super, they will receive $500.

How much you receive also depends on your income. In 2024–25, you will be entitled to the full co-contribution if your total income is less than $45,400 and you make an after-tax contribution to super of at least $1,000.

If your total income is between $45,400 p.a. and $60,400 p.a., the co-contribution is reduced.

If your income is $60,400 p.a. or higher, you will not be eligible for a co-contribution.

Here are some examples:

Total income	After-tax super contribution	Maximum co contribution
Up to $45,400	$1,000	**$500**
$50,400	$666	**$333**
$55,400	$333	**$166**
$60,400	$0	**$0**

How do I contribute to my super?

To be eligible for a government co-contribution you must make a personal after-tax contribution to your super. You can make one-off or regular payments. Check with your super fund about how you can do this – most offer payment options like BPAY and direct debit.

It is important to note that you cannot claim a tax deduction for these contributions.

Those aged between 67 and 75 no longer need to meet a work test[5] or work test exemption[6] to be able to make after-tax contributions to their super (the work test and work test exemption were required before 1 July 2022).

However to qualify for a co-contribution, you must be under age 71 and at least 10% of your income must still come from your job or business.

case study

Andrea

Andrea earns $50,400 p.a. working part-time. Her adviser recommends that she make regular after-tax contributions to her super to receive the government co-contribution.They calculate that she needs to contribute $666 to receive a co-contribution of $333.

At the start of the financial year Andrea sets up a direct debit to her super fund of $26 per fortnight from her after-tax salary. By the end of June 2025, she has contributed enough to receive the $333 automatically from the government when she lodges her tax return.

How your financial adviser can help

- Determine whether you are eligible for a government co-contribution and how much you should contribute to receive the maximum amount.
- Help you make the non-concessional (after-tax) contribution to super.
- Recommend other super strategies that could help you save for retirement.

5 The work test requires you to work at least 40 hours in 30 consecutive days in the financial year.

6 The work test exemption applies if your total super balance at the previous 30 June is less than $300,000 and you met the work test in the previous financial year.