

Ready Reckoner: Superannuation caps 2024–25

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Superannuation caps and thresholds

From 1 July 2024, a range of superannuation caps and thresholds increase due to indexation. While the uplifts in the caps and thresholds are welcome, they will be accompanied by increased complexity as practitioners and taxpayers navigate the impact of the changes.

Legislative references:

- *Income Tax Assessment Act 1997 (ITAA 1997)*
- *Superannuation Guarantee (Administration) Act 1992 (SGAA)*
- *Superannuation Industry (Supervision) Regulations 1994 (SISR)*

Table 1: Contributions caps and thresholds

Contributions caps and thresholds	2023-24	2024-25
Concessional contributions (CC) cap ¹	\$27,500	\$30,000
General non-concessional contributions (NCC) cap ²	\$110,000	\$120,000
General NCC cap under 3-year bring forward rule ³ (see Table 2)	\$330,000	\$360,000

¹ Subsection 291-20(2) of the ITAA 1997.

² Paragraph 292-85(2)(a) of the ITAA 1997. The general non-concessional contributions cap is set at four times the amount of the concessional contributions cap.

³ Subsection 292-85(3) of the ITAA 1997.

Contributions caps and thresholds	2023-24	2024-25
Carry forward of unused concessional contributions – total superannuation balance (TSB) just before the start of the financial year ⁴	< \$500,000	< \$500,000
CGT cap amount ⁵	\$1,705,000	\$1,780,000
Division 293 tax threshold ⁶	\$250,000	\$250,000
Government co-contribution ⁷ :		
● Maximum amount	\$500	\$500
● Lower income threshold	\$42,016	\$45,400
● Higher income threshold	\$57,016	\$60,400
Low income superannuation tax offset ⁷ where adjusted taxable income does not exceed \$37,000	Up to \$500	Up to \$500
Work test exemption for those aged 67–74 (only in their first year of retirement) – based on TSB of individual at the end of the previous financial year ⁸	\$300,000	\$300,000 ⁹

⁴ Section 291-20 of the ITAA 1997.

⁵ Section 292-105 of the ITAA 1997.

⁶ Section 293-20 of the ITAA 1997. The Division 293 threshold was \$300,000 from the 2012–13 to the 2016–17 income years.

⁷ See the *Superannuation (Government Co-contribution for Low Income Earners) Act 2003*.

⁸ Regulations 7.04(1A) of the SISR.

⁹ From 1 July 2022, if you are under 75 years of age, you no longer need to meet the work test to make or receive non-concessional contributions and salary sacrifice contributions. This threshold does, however, continue to apply to those aged 67–74 in their first year of retirement who have a TSB of less than \$300,000 at the end of the previous financial year who want to make a personal deductible contribution (see subsection 290-165(1A) of the ITAA 1997).

Table 2: Bring forward rule (non-concessional contributions)

Bring forward period: 2020–21 to 2022–23¹⁰ Total superannuation balance on 30 June 2020	NCC cap for 2020–21 (first year)	Maximum bring forward period
Less than \$1.4 million	\$300,000	3 years
\$1.4 million to less than \$1.5 million	\$200,000	2 years
\$1.5 million to less than \$1.6 million	\$100,000	No bring forward period – general NCC cap applies
\$1.6 million or more	Nil	Not applicable

Bring forward period: 2021–22 to 2023–24 Total superannuation balance on 30 June 2021	NCC cap for 2021–22 (first year)	Maximum bring forward period
Less than \$1.48 million	\$330,000	3 years
\$1.48 million to less than \$1.59 million	\$220,000	2 years
\$1.59 million to less than \$1.7 million	\$110,000	No bring forward period – general NCC cap applies
\$1.7 million or more	Nil	Not applicable

Bring forward period: 2022–23 to 2024–25 Total superannuation balance on 30 June 2022	NCC cap for 2022–23 (first year)	Maximum bring forward period
Less than \$1.48 million	\$330,000	3 years
\$1.48 million to less than \$1.59 million	\$220,000	2 years
\$1.59 million to less than \$1.7 million	\$110,000	No bring forward period – general NCC cap applies

¹⁰ The amounts in this table also apply to non-concessional contributions made from 1 July 2017 to 30 June 2021, when the maximum amount that could be contributed under the bring forward rule was \$300,000 and the transfer balance cap was \$1.6 million.

Bring forward period: 2022-23 to 2024-25 Total superannuation balance on 30 June 2022	NCC cap for 2022-23 (first year)	Maximum bring forward period
\$1.7 million or more	Nil	Not applicable

Bring forward period: 2023-24 to 2025-26 Total superannuation balance on 30 June 2023	NCC cap for 2023-24 (first year)	Maximum bring forward period
Less than \$1.68 million	\$330,000	3 years
\$1.68 million to less than \$1.79 million	\$220,000	2 years
\$1.79 million to less than \$1.9 million	\$110,000	No bring forward period – general NCC cap applies
\$1.9 million or more	Nil	Not applicable

Bring forward period: 2024-25 to 2026-27 Total superannuation balance on 30 June 2024	NCC cap for 2024-25 (first year)	Maximum bring forward period
Less than \$1.66 million	\$360,000	3 years
\$1.66 million to less than \$1.78 million	\$240,000	2 years
\$1.78 million to less than \$1.9 million	\$120,000	No bring forward period – general NCC cap applies
\$1.9 million or more	Nil	Not applicable

Points to note – bring forward rule

- An individual will trigger the bring forward rule for a financial year (the **first year**) if:¹¹
 - their non-concessional contributions for the first year exceed the general NCC cap;
 - their TSB immediately before the start of the first year does not exceed the general transfer balance cap (TBC);

¹¹ Subsection 292-85(3) of the ITAA 1997.

- they are under 75 years at any time in the first year (see **Note 3** below);
 - they have not already triggered the bring forward rule in either one of the previous two financial years before the first year; and
 - the difference (the **first year gap space**) between the general TBC for the first year and their TSB immediately before the start of the first year exceeds the general NCC cap for the first year.
2. The [Treasury Laws Amendment \(More Flexible Superannuation\) Act 2021](#) extended the bring forward rule by enabling individuals aged 65 and 66 to make up to three years of NCC under the bring forward rule. The measure applies to contributions made on or after 1 July 2020. Prior to 1 July 2020, the bring forward rule was available only to those individuals aged under 65 years at any time in a financial year.
 3. The [Treasury Laws Amendment \(Enhancing Superannuation Outcomes For Australians and Helping Australian Businesses Invest\) Act 2022](#) further extended the bring forward rule. For contributions made on or after 1 July 2022, an individual who is aged less than 75 years at any time in a financial year may be able to make non-concessional contributions of up to three times the annual non-concessional cap in that financial year. If they are aged 75 years or older, the fund may be able to accept only mandated employer contributions and downsizer contributions.
 4. The bring forward rule is subject to the individual's TSB on 30 June of the previous financial year. If an individual is aged 75 years or older on 1 July of the financial year (from 1 July 2022), they cannot access the bring forward rule.
 5. Once the bring forward arrangement is triggered in a year, any change to the NCC cap for the bring forward period does not apply. The bring forward cap amount is set based on the cap in the first year of the bring forward period.

While the NCC cap in the second and third year of a bring forward period started in 2019–20 or 2020–21 will change to \$110,000 due to indexation, that individual's NCC cap will still be **\$300,000** ($\$100,000 \times 3$ years) and does **not increase** to:

- \$310,000 ($\$100,000 + \$100,000 + \$110,000$); or
- \$320,000 ($\$100,000 + \$110,000 + \$110,000$).

Similarly, while the NCC cap in the second and third year of a bring forward period started in 2022–23 or 2023–24 will change to \$120,000 due to indexation, that individual's NCC cap will still be **\$330,000** ($\$110,000 \times 3$ years) and does **not increase** to:

- \$340,000 ($\$110,000 + \$110,000 + \$120,000$); or
- \$350,000 ($\$110,000 + \$120,000 + \$120,000$).

Table 3: Transfer balance cap

Transfer balance cap	2023-24	2024-25
General transfer balance cap ¹²	\$1,900,000	\$1,900,000
Defined benefit income cap ¹³	\$118,750	\$118,750

Table 4: Superannuation guarantee charge

Superannuation guarantee charge ¹⁴	2023-24	2024-25
Charge percentage	11% ¹⁵	11.5% ¹⁵
Maximum contribution base per quarter ¹⁶	\$62,270	\$65,070
Annual equivalent	\$249,080	\$260,280
SG amount per annum	\$27,398.80	\$29,932.20

¹² Subsection 294-35(3) of the ITAA 1997. The general TBC was \$1.6 million from the 2017-18 to the 2020-21 financial years and was \$1.7 million for the 2021-22 and 2022-23 financial years.

¹³ Subsection 303-4(1) of the ITAA 1997. The defined benefit income cap is set by dividing the general TBC by 16.

¹⁴ Prior to 1 July 2022, a monthly salary and wage threshold of \$450 applied, below which salary or wages did not count towards the SG. Subsection 27(2) of the SGAA was repealed with effect from 1 July 2022 by Schedule 1 to the [Treasury Laws Amendment \(Enhancing Superannuation Outcomes For Australians and Helping Australian Businesses Invest\) Act 2022](#).

¹⁵ Legislated to increase to **11.5%** on 1 July 2024 and **12%** from 1 July 2025 onwards.

¹⁶ Section 15 and subsection 19(4) of the SGAA.

Table 5: Benefit payments

Benefit payments	2023-24	2024-25
Minimum annual drawdowns for a superannuation income stream (pension)¹⁷ Age of beneficiary in years: <ul style="list-style-type: none"> Under 65 65-74 75-79 80-84 85-89 90-94 95+ 	Standard drawdown rate	
	4%	5%
	6%	7%
	9%	11%
	14%	
Low rate cap amount ¹⁸	\$235,000	TBA ¹⁹
Untaxed plan cap amount ²⁰	\$1,705,000	\$1,780,000
Disregarded small fund assets (prohibited from using segregation rule for tax purposes) – where the TSB of the individual just before the start of the financial year exceeds: ²¹	\$1,600,000	\$1,600,000

¹⁷ Schedule 7 to the SISR.

¹⁸ Section 307-345 of the ITAA 1997. The low rate cap amount is the limit set on the amount of taxable components (taxed and untaxed elements) of a superannuation lump sum payment that can receive a lower (or nil) rate of tax. It applies to members who have reached their preservation age but are aged less than 60 years. It is a lifetime cap that is reduced by any amount previously applied to the low rate threshold.

¹⁹ The low rate cap amount for 2024-25 had not yet been advised by the ATO at the time of writing.

²⁰ Section 307-350 of the ITAA 1997.

²¹ Section 295-387 of the ITAA 1997.

Benefit payments	2023-24	2024-25
Preservation age²²		
Date of birth:	Preservation age	
Before 1 July 1960	55	
1 July 1960 – 30 June 1961	56	
1 July 1961 – 30 June 1962	57	
1 July 1962 – 30 June 1963	58	
1 July 1963 – 30 June 1964	59	
From 1 July 1964	60	

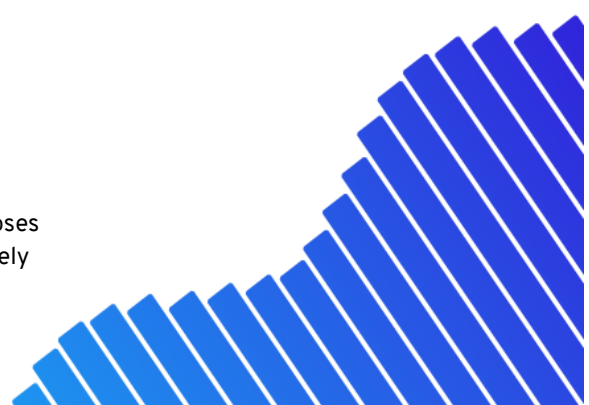
Further guidance and information

Further guidance and information on superannuation rates and thresholds are available from the [ATO website](#).

If you have any specific concerns that have not been outlined above, please email taxpolicy@taxinstitute.com.au.

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²² Regulation 6.01(1) of the SISR.