

What is the first home super saver scheme?

First home buyers may be able to use their superannuation fund(s) to save towards their first house purchase in a tax-effective way.

First home buyers can boost savings put towards a deposit by accessing the First home super saver scheme (FHSSS). As amounts saved through the scheme will only be taxed at 15% instead of your marginal tax rate, this can help you purchase your first home sooner.

To release funds under the scheme, you must:

- Be 18 years or over,
- Not have owned a property in Australia
- Not have previously released FHSSS funds
- Either live or intend to live in the premises being purchased as soon as practicable, and
- Intend to live in the property for at least six months within the first 12 months of purchasing, after it is practical to move in.

Each member of a couple meeting eligibility criteria may participate in the scheme as desired.

Eligible contributions

Voluntary contributions made after 1 July 2017 count towards the scheme. These include:

- Concessional contributions including salary sacrifice amounts or contributions for which a tax deduction has been claimed, and
- Non-concessional contributions that are made using after tax savings or amounts where a tax deduction has not been claimed.

How much can I release?

You can have a maximum of \$15,000 of your voluntary contributions from any one financial year included in your eligible contributions to be released under the scheme, up to a total of \$30,000 across all years.

The order and type of contributions made into superannuation can make a difference to the amount released. You can withdraw, taking into account the yearly and total limits:

- 85% of your concessional amounts, and
- 100% of your non-concessional amounts

How do I release FHSSS amounts?

You can apply online to the ATO using your myGov account. Once the ATO determines the amount for release, and you agree to the amount, the ATO will authorise your superannuation fund(s) to release funds to the ATO. As concessional contributions and all associated earnings are included in your assessable income, the ATO will withhold the appropriate amount of tax and send the balance of savings to you.

Other important things

Before commencing voluntary contributions towards the scheme, check that your nominated superannuation fund(s) will release the money when required as it is not compulsory for all superannuation funds to participate in the scheme.

You may contribute up to existing superannuation contribution caps each year and having amounts released under the scheme does not affect the calculation of your concessional or non-concessional contributions for cap calculation purposes.

Only one FHSSS amount can be released and there is a time limit on the use of funds. If you do not purchase a home within 12 months of receiving the FHSSS amount, you can apply for a 12 month extension from the ATO, recontribute the amount as a non-concessional contribution or keep the released amount and be subject to 20% FHSSS tax.

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