

WHAT ARE catch-up concessional contributions?

JULY 2026

‘Catch-up’ contributions aim to give people an opportunity to save for retirement. You can take advantage of catch-ups if you haven’t used your entire pre-tax (concessional) contribution cap since the 2021-22 financial year, by contributing the remainder in future financial years.

How does it work?

The general concessional contributions cap for the current financial year is $32,500 per person. If your total superannuation balance on 30 June of the previous year was less than $500,000, your available concessional cap for the financial year will automatically be increased by any unused concessional cap amounts you have accrued in any of the previous five financial years.

You will have unused concessional contributions if you have not used the full amount of your concessional cap in a particular year. Once accrued, these amounts are available for use for another five financial years e.g., an unused concessional contribution accrued in 2021-22 will expire at the end of FY2026-27.

You can check your available concessional contributions cap on ATO online services (accessed via my.gov.au).

What are concessional contributions?

Concessional contributions are amounts added to your superannuation, sourced from pre-tax income including:

- Super Guarantee paid by your employer,
- Salary sacrificed amounts where you and your employer agree for you to receive less income before tax in return for your employer paying an equivalent benefit into your superannuation account, and
- Personal deductible contributions which are amounts you contribute to superannuation that you claim as a tax deduction.

When these amounts are added to your superannuation, they are taxed at a flat rate of 15% e.g., if you contribute $1,000, your superannuation fund adds $850 to your superannuation account.

If you exceed your concessional cap, you may be liable for additional tax on excess concessional contributions.

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Case study

Vina is thinking about boosting her retirement savings. She has a superannuation balance of $350,000. Her concessional contributions in prior years and unused amounts accrued since 2021/22 are summarised below.

Financial year	2021/22	2022/23
General cap for the year	$27,500	$27,500
Concessional contributions made	$7,500	$5,000
Unused concessional contributions for the year	$20,000	$22,500
Cumulative carry forward	$20,000	$42,500

Financial year	2023/24	2024/25	2025/26
General cap for the year	$27,500	$30,000	$30,000
Concessional contributions made	$15,000	$15,000	$15,000
Unused concessional contributions for the year	$12,500	$15,000	$15,000
Cumulative carry forward	$55,000	$70,000	$85,000

As her total superannuation balance on 30 June 2026 is below $500,000, she is eligible to make concessional contributions of up to $117,500 consisting of $85,000 of unused concessional contributions in addition to the annual cap of $32,500 for 2026/27.

Work test

If you are aged between 67 and 75, personal deductible contributions are available if you have met the work test. To meet the work test, you must be gainfully employed for at least 40 hours during a consecutive 30 day period in the financial year in which the contributions are made.

For more information on contributing to superannuation, refer to '**What are the limits on superannuation contributions?**' fact sheet.

Taking advantage of the catch-up concessional contribution

- Your work patterns and income may fluctuate from year to year. A tax deduction for superannuation contributions may not be needed in a low income year, but may be useful the following financial year if your income is significantly higher.
- Restricted cashflow may prevent you from topping up your super, but you can make catch-up contributions when your cashflow improves.
- If you sell a large asset like a portfolio of shares or an investment property, you could have a significant capital gain. You could then take advantage of the catch-up concessional contribution to reduce your taxable income in the year of that capital gains event.
- If you have an eligible spouse, you may be able to split your concessional contributions. Meaning, a portion of your concessional contributions can deducted from your superannuation account and added to your spouse's superannuation account.

Concessional contributions can be a complex area and you cannot access your superannuation until a condition of release has been met. It's best to seek professional advice so you can implement the right strategies for your circumstances and maximise your super savings.

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Monica (50 years old) earns an annual salary of $150,000. Her employer is making 12.0% super guarantee contributions, and she has received $30,000 net capital gains from selling down units in a managed fund.

Monica's total super balance was $350,000 on 30 June 2026.

She makes a $82,500 personal deductible contribution to super.

Her available concessional cap this financial year is $82,500 (this year's $32,500 concessional cap plus $50,000 of unused concessional contributions accrued over the previous five years).

Comparing tax with and without personal deductible contributions.

The table below shows the tax difference if Monica makes a personal deductible contribution.

Item	No personal deductible contribution	With personal deductible contribution
Salary	$150,000	$150,000
Net Capital Gain	$30,000	$30,000
Personal deductible contribution	$0	$82,500
Taxable income	$180,000	$97,500
Less income tax incl. Medicare Levy	$51,270	$21,720
Total take-home pay	$128,730	$145,905

After making a $82,500 personal deductible contribution:

- Monica has contributed $70,125 to her super net of 15% contributions tax ($82,500 - $12,375).
- Monica's personal tax payable has reduced by $29,550 ($51,270 - $21,720).
- Taking the tax paid on her super contribution into account, Monica has still saved $17,175 in tax as a result of making the personal deductible contribution.

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