<u>2017 Budget Snapshot - First Home Superannuation Saver Scheme</u>

The Government will encourage home ownership by allowing first home buyers to “build a deposit” inside their superannuation funds, as follows:

- Voluntary Superannuation Contributions of up to $15,000 per year, and $30,000 in total, can be contributed by first home buyers from **1 July 2017.** The contribution must be within existing concessional and non-concessional caps. Concessional contributions are taxed at 15% in the fund and earnings on contributions are taxed at 15% in the fund.

- These contributions can then be withdrawn, along with associated deemed earnings, for a first home deposit, **from 1 July 2018 onwards**. Concessional contributions and earnings that are withdrawn will be taxed at the taxpayer’s marginal tax rate less a 30% offset. When non-concessional contributions (NCC’s) are withdrawn, they will not be taxed.

Combined with the existing concessional tax treatment of contributions and earnings, this will provide an incentive that will enable first home buyers to build savings more quickly for a home deposit. Note that, both members of a couple can take advantage of this measure to buy their first home together.

(Source: NTAA 2017/18 Federal Budget)