



Downsizer contribution.

October 2021

The Downsizer initiative enables eligible members to make additional contributions to their superannuation of up to \$300,000 for individuals, or a combined total of \$600,000 for couples.

The Downsizer initiative enables eligible members aged over 65 to make additional contributions to their superannuation of up to \$300,000 for individuals, or a combined total of \$600,000 for couples.

These contributions can be made on top of your existing balance, even if you're no longer working and do not count towards your contribution caps.

The downsizer contribution will count towards your transfer balance cap, currently set at \$1.6 million. This cap applies when you move your super savings into retirement phase.

To qualify, the funds you contribute must come from the proceeds of the sale of your residential property in Australia, the contract must have been signed after 1 July 2018 and the your home must have been owned by you or your spouse for more than 10 years.

Contributions must also be made within 90 days of settlement and only apply when you have not previously made a downsizer contribution.

Case study

Steve and Mary are both 75 years old and have been retired for 10 years. They have decided to sell their family home and downsize into an apartment. Steve has \$100,000 in his Hostplus super whereas Mary does not have any super. After selling their family home they have lived in for 15 years and buying the apartment they have \$300,000 left over.

Using the downsizer contribution rules they can choose how they add the \$300,000 to their super accounts. For example, they could contribute up to \$150,000 each into their super accounts or if they wanted to even out their super balances, they could add \$200,000 into Mary's account and \$100,000 to Steve's super.

This case study is provided for illustration purposes only and does not represent the actual benefits that may be received or costs that may be incurred.



Are you considering downsizing?

Want to know more about downsizer contribution and how it might benefit you? Speak to one of our qualified Hostplus Financial Planners today. Visit hostplus.com.au/financial-planning or call us on 1300 467 875 to arrange your initial consultation at no additional cost.

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