HOSTPLUS

Save for your first home with Hostplus.

Individuals who make eligible voluntary contributions into their super account, up to the maximum limit may be able to use them to buy their first home.

This fact sheet is an overview only. The First Home Super Saver Scheme (FHSSS) measure has strict eligibility requirements.

To speak to a Hostplus financial planner and to find out if this measure is suitable for you, call us on **1300 467 875** or visit hostplus.com.au/financial-planning. Your first conversation with a Hostplus planner is included in your membership.

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First Home Super Saver Scheme (FHSSS)

The Australian Government's FHSSS is designed to help more first home buyers get into the property market.

Eligible voluntary contributions made from 1 July 2017 can be withdrawn and will not impact your social security entitlements.

Under the scheme you can save money for your first home inside your super fund, potentially helping you to save faster because of the concessional tax treatment of super.

You can make eligible voluntary concessional (before-tax) and non-concessional (after-tax) contributions into your super fund and you can apply to release your voluntary contributions, along with associated earnings, to help you purchase your first home.

Eligible voluntary contributions made into your super up to a maximum of $15,000 a year with a $30,000 lifetime limit will be eligible to be released under the FHSS scheme. This extra money, and any associated earnings made can then be withdrawn and used towards the purchase of your first home. Please note, individuals can only apply for release of the funds once.

Couples can withdraw up to $30,000 of voluntary contributions from any one financial year to a lifetime limit of $60,000.

By using your super account in this way, you could save at least 30% more than you would with a standard deposit account.^

Participants in the FHSSS must:

- be aged 18 years or older,
- have never owned property in Australia – this includes an investment property, vacant land, commercial property, a lease of land in Australia, or a company title interest in land in Australia
- have never previously requested a release authority in relation to a First Home Super Saver Scheme determination.

Please note: If you have previously owned a home and suffered a financial hardship that resulted in a loss of ownership of all property interests, you may still be eligible to participate in the FHSSS scheme subject to ATO's approval.

Boosting Michelle and Nick's first home deposit^

Michelle earns $60,000 a year and wants to buy her first home. Using salary sacrifice, she annually directs $10,000 of pre-tax income into her superannuation account, increasing her balance by $8,500 after the contributions tax has been paid by her fund.

After three years, she is able to withdraw $27,380 of contributions and deemed earnings on those contributions. Her withdrawal is taxed at her marginal rate (including Medicare levy) less a 30 per cent offset. After paying $1,620 of withdrawal tax she has $25,760 that she can use for her deposit. Michelle has saved around $6,240 more for a deposit than if she had saved in a standard deposit account.

Michelle's partner Nick has the same income and also salary sacrifices $10,000 annually to superannuation over the same period. Together they have $51,520 that they can put towards a deposit, $12,480 more than if they had saved in a standard deposit account.

^ Source: The Australian Government Fact Sheet 1.4 First Home Saver Scheme Budget 2017 available at archive.budget.gov.au/2017-18/glossies/factsheets/FS_14_Housing_Affordability.pdf

What contributions can I make?

The contribution types eligible for the FHSS scheme are outlined below.

Be mindful of the concessional (before-tax) contributions cap of $27,500 and non-concessional (after-tax) contributions cap of $110,000 per year when contributing. For more information about contribution types and caps visit hostplus.com.au/pds

Salary sacrifice (before-tax)

Salary sacrifice allows your employer to make additional contributions to your super from your before-tax salary. This lowers your taxable income while boosting your super balance. Find out more at hostplus.com.au/super/maximise-your-super/salary-sacrifice

Personal after-tax contributions for which you claim a tax deduction

If you are self-employed or your employer doesn't offer salary sacrifice you can make personal contributions from your after-tax salary and claim a tax deduction. This effectively converts your contribution to a concessional (before-tax) contribution. You can find out how to apply for a tax deduction when you make personal contributions to Hostplus at hostplus.com.au/pds

Personal contributions (after-tax)

You can also make after-tax contributions to your super account from your take home pay.

How do I make contributions to Hostplus?

You can make one-off contributions via BPAY®, cheque or Electronic Funds Transfer – login, or register for Hostplus Member Online for more information about making a contribution. Please note, you'll need your member number to register.

Alternatively, you can make regular contributions by direct debit from your bank account. Just fill out the **Direct Debit Authority** form available at hostplus.com.au/super/forms-and-brochures

How do I withdraw my money to buy a house?

Hostplus can advise your account balance at any time. When you are ready to withdraw the money from your super account under the FHSSS, you can apply to the ATO. The ATO will work with you and Hostplus to help you withdraw the money from your super account to buy your first home.

At the time of your application, the ATO will calculate and apply any earnings that can be released.

Salary sacrifice contributions and personal contributions claimed as a tax deduction, together with associated earnings are taxed at 15%. When withdrawn as part of the FHSSS the total amount will be taxed at the marginal tax rates less a 30% tax offset.

For more information about applying to release your savings please visit ato.gov.au

Is there a time limit to use the funds?

If you don't purchase a home within 12 months of applying for the FHSSS amount you can either:

- apply for a 12-month extension from the ATO,
- recontribute the amount to your Hostplus super account as a non-concessional contribution and reap the benefits of investment earnings to help you grow your retirement savings,
- keep the released amount and be subject to FHSSS tax of 20% to the ATO to counter any benefits from saving through your super.

For more information about the FHSSS please visit www.ato.gov.au/individuals/super/withdrawing-and-using-your-super/first-home-super-saver-scheme/

We're here to help, contact us today.

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