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FINFORCE EBOOK · 2026–27 EDITION

Super Strategies 2026–27

Contributions, caps and the new rules, explained with official figures

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How to use this ebook. Each chapter stands alone and ends with its official sources (ATO, Services Australia, RBA, ASFA, Moneysmart, TPB and others). Figures are for 2026–27 or as stated, and can change; the online version of each chapter is listed at its end.

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CHAPTER 1

Super contribution caps for 2026–27

From 1 July 2026 the concessional cap rose to \$32,500 and the non-concessional cap to \$130,000, after indexation. Here is what that means and how the other rules fit around them.

Concessional (before-tax) contributions: \$32,500

Concessional contributions include your employer's super guarantee, salary sacrifice and personal contributions you claim as a tax deduction. All of them, across all your funds, count toward one cap. For 2026–27 the general cap is \$32,500 (it was \$30,000 for 2024–25 and 2025–26).

Inside super they are generally taxed at 15%, or 30% if Division 293 applies. See Division 293 tax explained.

Non-concessional (after-tax) contributions: \$130,000

Non-concessional contributions are personal contributions you don't claim a deduction for. The 2026–27 cap is \$130,000. It is nil for a year if your total super balance at the previous 30 June was at or above the general transfer balance cap, which is \$2.1 million for 2026–27.

Bring-forward: up to three years at once

If you are under 75, you may be able to contribute up to three years of non-concessional caps in one year. At the 2026–27 cap that is up to \$390,000. The amount and period you can bring forward depend on your total super balance on 30 June before the year you trigger it.

Carry-forward of unused concessional cap

If your total super balance was under \$500,000 at the previous 30 June, you can use unused concessional cap amounts from up to five previous years. This often helps people with a big income year, a business sale or a capital gain.

Checklist before you contribute

- Add up employer contributions so far this year; under Payday Super they now arrive each payday.
- Check your total super balance on myGov.
- Lodge a notice of intent before you claim a deduction for a personal contribution.
- Mind the timing: contributions count when the fund receives them, not when you send them.

Use our contribution calculators for a first estimate, or get super advice.

Quick answers

What is the concessional cap for 2026–27?

\$32,500, per the ATO.

What is the non-concessional cap for 2026–27?

\$130,000, or up to \$390,000 using the bring-forward rule if you are eligible.

Sources

- [ATO: Contributions caps](#)
- [ATO: Transfer balance cap](#)

Read online with live links: finforce.com.au/insights/super-contribution-caps-2026-27.html

CHAPTER 2

Salary sacrifice into super, explained

Salary sacrifice means asking your employer to pay some of your pre-tax pay into super instead of your bank account. It is one of the simplest ways to grow your apple tree faster.

Why it can save tax

Money you salary sacrifice is generally taxed at 15% in your fund, instead of your marginal tax rate. For many people that is a real difference. If your income plus contributions is over \$250,000, Division 293 can lift the rate to 30%.

The cap

Salary sacrifice, employer super guarantee and personal deductible contributions all count toward the concessional cap of \$32,500 for 2026–27. Go over it and the excess is taxed at your marginal rate (less a 15% offset).

Things to check

- Ask in writing, and only for future pay. Sacrifice must be agreed before you earn it.
- Your employer must not reduce your super guarantee because you sacrifice.
- Under Payday Super, contributions should land with each pay; check they do.
- The money is locked away until you meet a condition of release, generally from 60.

Salary sacrifice or a personal deductible contribution?

If your employer doesn't offer it, you can make a personal contribution and claim a deduction, as long as you lodge a notice of intent with your fund first. The tax result is broadly similar.

Not sure how much to sacrifice? [Book a no-obligation chat](#) or try our calculators.

Quick answers

How much can I salary sacrifice into super in 2026–27?

Up to the \$32,500 concessional cap, less your employer contributions, unless you can use carry-forward amounts.

Is salary sacrifice worth it?

Often, for people whose marginal tax rate is above 15%, but it reduces take-home pay and the money is preserved.

Sources

- [ATO: Salary sacrificing super](#)
- [ATO: Contributions caps](#)

Read online with live links: finforce.com.au/insights/salary-sacrifice-super.html

CHAPTER 3

Carry-forward concessional contributions: how to catch up on super

The concessional contributions cap for 2026–27 is \$32,500. If you have not used your full cap in earlier years, you may be able to carry the unused amounts forward and make a larger deductible contribution this year.

How it works

- Unused concessional cap amounts can be carried forward for up to five financial years.
- You can only use them if your **total super balance was under \$500,000** at the end of the previous financial year (30 June 2026 for contributions in 2026–27).
- Unused amounts are applied automatically once you go over the current year's cap, oldest year first. Amounts not used after five years expire.
- Concessional contributions include employer super guarantee, salary sacrifice and personal contributions you claim as a tax deduction.

When it is most useful

- A year with an unusually high income, such as a large bonus, a capital gain or a business sale.
- Returning to work after a career break or parental leave, when caps went unused.
- Business owners with uneven profits who could not contribute in lean years: see our business owner super checklist.

Check before you contribute

- Find your unused cap amounts in ATO online services through myGov.
- Lodge a valid notice of intent with your fund and get its acknowledgement before you claim a deduction: see notice of intent.
- Higher earners may pay Division 293 tax: Division 293 explained.

Related: salary sacrifice to super and super contribution caps 2026–27.

Quick answers

What is the concessional contributions cap for 2026–27?

\$32,500.

Who can use carry-forward concessional contributions?

People whose total super balance was under \$500,000 at the end of the previous financial year. Unused amounts from up to five previous years can be used.

Where can I see my unused cap?

In ATO online services, accessed through myGov.

Sources

- [ATO: Concessional contributions cap](#)
- [ATO: Contributions caps](#)
- [ATO: Total superannuation balance](#)

Read online with live links: finforce.com.au/insights/carry-forward-concessional-contributions.html

CHAPTER 4

Spouse contributions and splitting

Couples often have very different super balances, especially after career breaks. Two tools can help even them out.

Spouse contributions

You can make an after-tax contribution to your spouse's super. If their income is low enough you may get a tax offset of up to \$540. The contribution counts toward their non-concessional cap (\$130,000 for 2026–27).

Contribution splitting

Many funds let you split up to 85% of your concessional contributions from the previous financial year to your spouse, subject to the concessional cap. Your spouse generally needs to be under preservation age, or under 65 and not retired.

Why it matters

- Two balances can make better use of two transfer balance caps.
- It may help with Age Pension timing if one partner is younger.
- It can even out access if one partner retires earlier.

Super advice.

Quick answers

What is the spouse contribution tax offset?

Up to \$540, depending on the receiving spouse's income, per the ATO.

Sources

- [ATO: Contributions caps](#)

Read online with live links: finforce.com.au/insights/spouse-contributions-and-splitting.html

CHAPTER 5

The super co-contribution for 2026–27: up to \$500 from the Government

If you are on a low or middle income, the Government will add up to 50 cents for every after-tax dollar you put into super, to a maximum of \$500.

2026–27 thresholds

- **Total income \$49,293 or less:** contribute \$1,000 after tax and receive the maximum \$500.
- **Between \$49,293 and \$64,293:** the maximum reduces progressively.
- **\$64,293 or more:** no co-contribution.

Other conditions

- At least 10% of your total income comes from employment or running a business.
- Under 71 at the end of the financial year.
- Total super balance under the general transfer balance cap at the previous 30 June, and contributions within your non-concessional cap.
- You lodge a tax return, and do not claim a deduction for the contribution.
- No temporary visa during the year (New Zealand citizens excepted).

How it is paid

You do not apply. The ATO works it out from your tax return and your fund's report and pays it into your super. Make sure your fund has your tax file number.

Good for

Part-time workers, people returning to work, and lower-earning spouses. Pair it with spouse contributions and the low income super tax offset.

Quick answers

How much is the super co-contribution in 2026–27?

Up to \$500 if your total income is \$49,293 or less and you contribute \$1,000 after tax. It phases out at \$64,293.

Do I need to apply for the co-contribution?

No. The ATO calculates it from your tax return and pays it to your fund.

Sources

- [ATO: Government contributions \(co-contribution thresholds\)](#)
- [ATO: Super co-contribution](#)

Read online with live links: finforce.com.au/insights/super-co-contribution-2026-27.html

CHAPTER 6

The low income super tax offset (LISTO): up to \$500 back into super

If you earn \$37,000 or less, the tax your super fund pays on your employer contributions may be refunded into your super through the low income super tax offset (LISTO).

How it works

- LISTO is 15% of your concessional contributions (employer super, salary sacrifice, deductible personal contributions), up to **\$500** a year. The minimum payment is \$10.
- Your adjusted taxable income must be **\$37,000 or less**.
- At least 10% of your income must come from employment or business.
- No temporary visa during the year (New Zealand citizens excepted).

Changes from 1 July 2027

The income threshold rises to \$45,000 and the maximum payment to \$810. The ATO says this measure is now law.

What you need to do

Nothing, except make sure your super fund has your tax file number. Without it, the fund cannot accept the payment. Retirees who have reached preservation age can ask for it to be paid directly.

Also check the super co-contribution and find lost super.

Quick answers

Who gets the low income super tax offset?

People with adjusted taxable income of \$37,000 or less who have concessional super contributions, subject to other conditions.

Is LISTO changing?

From 1 July 2027 the threshold rises to \$45,000 and the maximum to \$810.

Sources

- [ATO: Low income super tax offset](#)
- [ATO: LISTO changes from 1 July 2027](#)

CHAPTER 7

Downsizer contributions

A downsizer contribution lets people aged 55 and over put up to \$300,000 each from the sale of their home into super, outside the normal caps.

Key rules

- You are 55 or older when you contribute.
- The home was owned by you or your spouse for at least 10 years, in Australia, and the sale is at least partly exempt from CGT under the main residence exemption (or would be).
- Up to \$300,000 each, limited to the sale proceeds. Couples can contribute up to \$600,000 between them.
- Contribute within 90 days of settlement, with the fund's downsizer form.
- You can only use it once.

Things to weigh

- No total super balance test, but money in super then counts toward Age Pension assets tests if you are of pension age.
- You don't actually have to buy a smaller home.
- The transfer balance cap (\$2.1 million in 2026–27) still limits what can go into retirement phase.

See retirement planning and Age Pension basics.

Quick answers

How much can I put in as a downsizer contribution?

Up to \$300,000 per person, per the ATO.

Sources

- [ATO: Downsizer super contributions](#)

Read online with live links: finforce.com.au/insights/downsizer-contributions.html

CHAPTER 8

The retribution strategy

A retribution strategy means withdrawing money from super as a lump sum and putting it back in as a non-concessional contribution. Done right, it can turn taxable money into money that isn't taxed in your super.

Why it matters

Super is made up of a non-taxable component and a taxable component. While you are alive and over 60, withdrawals are generally not taxed either way. The difference shows up when you die: the taxable component paid to non-dependants, such as most adult children, can be taxed at 15% plus Medicare levy (higher for an untaxed element).

Recontributing converts taxable dollars into non-taxable dollars, which can mean more for your beneficiaries.

What you need

- Access to super: usually you must have met a condition of release, such as retiring after preservation age (60) or reaching 65.
- Room under the non-concessional cap: \$130,000 for 2026–27, or up to \$390,000 with bring-forward if you are under 75 and eligible.
- A total super balance under the general transfer balance cap (\$2.1 million for 2026–27).

Watch-outs

- Withdrawals come out in proportion to your existing components; you can't pick only taxable money.
- If you are in a retirement income stream, commuting it affects your transfer balance account.
- Centrelink means testing can change.
- Excess contributions have consequences, so check caps first.

This is a strategy where order and timing matter. Read super death benefits and adult children, or talk to us about retirement planning.

Quick answers

Who might a retribution strategy suit?

Often people aged 60 to 74 with a large taxable component who expect super to pass to adult children.

Sources

- [ATO: Contributions caps](#)
- [ATO: Super death benefits](#)
- [ATO: Transfer balance cap](#)

Read online with live links: finforce.com.au/insights/recontribution-strategy.html

CHAPTER 9

Division 293 tax explained

Division 293 is an extra 15% tax on concessional super contributions for people whose income plus those contributions is over \$250,000. It takes the contributions tax from 15% to 30%.

How it works

The ATO adds your income for Division 293 purposes (broadly taxable income, reportable fringe benefits and certain other amounts) to your low-tax concessional contributions. If the total is over \$250,000, the tax applies to the excess or to the contributions, whichever is less. The rate is 15%.

The \$250,000 threshold has applied since 2017–18 and is not indexed.

An example in words

Say your income is \$240,000 and concessional contributions are \$30,000. The total is \$270,000, which is \$20,000 over the threshold. Division 293 applies to the smaller of \$20,000 and \$30,000, so 15% of \$20,000.

Paying it

The ATO issues a notice after you lodge your tax return and your fund reports contributions. You can pay personally or elect to release the amount from super. For defined benefit interests, payment can be deferred.

Is super still worth it?

Usually, yes. At 30%, contributions are still taxed below the top marginal rate of 45% plus Medicare levy. The question is how much, and in whose name. Business owners often have choices about timing income, which is where advice for business owners helps.

Quick answers

What is the Division 293 threshold?

\$250,000 of income plus low-tax contributions, at a 15% rate, per the ATO.

Can I pay Division 293 from super?

Yes, you can elect to release money from your super fund to pay it.

Sources

- [ATO: Division 293 tax](#)

Read online with live links: finforce.com.au/insights/division-293-tax-explained.html

Division 296: the extra tax on super balances over \$3 million

The Division 296 tax became law in March 2026 and applies from the 2026–27 financial year. It adds tax on the earnings linked to the part of a person's total super balance above \$3 million, with a higher rate above \$10 million.

The key numbers for 2026–27

- **Large super balance threshold:** \$3 million. An extra 15% applies to the share of super earnings linked to the balance above it.
- **Very large super balance threshold:** \$10 million. A further 10% applies to the share of earnings linked to the balance above it.
- Both thresholds are indexed to CPI in future years: the \$3 million threshold in \$150,000 steps and the \$10 million threshold in \$500,000 steps.

When it applies

For 2026–27, the tax applies if your total super balance at the end of the year (30 June 2027) is above \$3 million. From 2027–28 it applies if your balance just before the start of the year or at the end of the year is above the threshold. The ATO says the first assessments, for 2026–27, will issue in the later half of the 2027–28 financial year. The tax can generally be paid from your super fund.

Who should look at this now

- SMSF members with large balances, especially where the fund holds business real property or other assets that are hard to sell. See SMSF and business property.
- Couples where one partner holds most of the super. Contribution splitting and spouse strategies may matter: spouse contributions and splitting.
- Anyone planning a large contribution, such as from a business sale: selling your business, super and CGT.

Do not make sudden withdrawals or restructures without advice. Getting money back into super later is limited by the contribution caps and the transfer balance cap.

Quick answers

What is the Division 296 tax?

An extra 15% tax on the share of super earnings linked to a total super balance above \$3 million, plus a further 10% on the share linked to the balance above \$10 million, from 2026–27.

When will the first Division 296 assessments be issued?

The ATO says assessments for 2026–27 will begin issuing in the later half of the 2027–28 financial year.

Is the \$3 million threshold indexed?

Yes. From 2027–28 it is indexed to CPI in \$150,000 increments; the \$10 million threshold in \$500,000 increments.

Sources

- [ATO: Division 296 tax on large super balances](#)
- [ATO: Be ready for new tax on large and very large super balances \(7 July 2026\)](#)
- [Treasury Laws Amendment \(Building a Stronger and Fairer Super System\) Act 2026](#)

Read online with live links: finforce.com.au/insights/division-296-tax-super-over-3-million.html

CHAPTER 11

Transfer balance cap: \$2.1 million for 2026–27

The transfer balance cap limits how much super you can move into the retirement phase, where earnings aren't taxed. The general cap is \$2.1 million for 2026–27, up from \$2 million.

What it does

Each person has a transfer balance account. Starting a retirement-phase pension is a credit; commutations are debits. If credits exceed your personal cap, you must remove the excess and pay tax on notional earnings.

Personal caps differ

If you started a retirement pension before, your personal cap may be lower than \$2.1 million, because only the unused share is indexed. Check yours in myGov via ATO online services.

Why it also matters for contributions

Your total super balance at 30 June is compared with the general transfer balance cap to decide if you can make non-concessional contributions next year. See 2026–27 contribution caps.

Quick answers

What is the transfer balance cap for 2026–27?

\$2.1 million (general cap), per the ATO.

Sources

- [ATO: Transfer balance cap](#)

Read online with live links: finforce.com.au/insights/transfer-balance-cap-2026-27.html

Want this applied to your situation?

Book a review with the FinForce team at Level 7, 190 Edward Street, Brisbane City, online or by phone: 07 3262 6585 · finforce.com.au

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