First Home Super Saver Scheme

Dream of owning your first home?

It's becoming harder to fulfil the great Australian dream of owning your own home, and in response to this affordability issue the federal government introduced a new scheme – the First Home Super Saver Scheme.

What is the First Home Super Saver Scheme (FHSSS)?

The FHSSS provides first time home owners the option of putting some of their super towards a home deposit through voluntary super contributions, either pre-tax (salary sacrifice) or after tax contributions.

A single home buyer can make voluntary contributions of up to $15,000 per year, up to a maximum of $50,000. For a couple both individuals can take advantage and together can contribute up to a maximum of $100,000, all with the intent of withdrawing it to use for a deposit on their first home.

Who is eligible?

At a minimum you must be 18 years of age and never owned a property in Australia. This includes an investment or commercial property, a lease of land or a company title interest in land in Australia. For a full list of eligibility criteria please refer to the ATO website.

However, if you have previously owned property you may be eligible if the Commissioner of Taxation determines that you've suffered a financial hardship.

When can I start?

You can make eligible contributions before you are 18 years of age.

Contributions made from 1 July 2017 will be eligible for the FHSSS with withdrawals allowed from 1 July 2018 onwards.

What about contribution caps?

Contributions will be subject to the concessional contribution cap of $27,500, so it's worth keeping track of your super balance.

How do I take the money out?

To withdraw the money from your super fund, you need to apply to the Australian Taxation Office (ATO). If you're eligible, the ATO will determine how much you can withdraw and arrange for the money to be released from your super fund. Your concessional contribution and earnings that are withdrawn will be taxed at your marginal rate with a 30% offset.

What kind of home can I buy?

FHSSS applies to a residential property that can be occupied as a residence, or vacant land that you plan to build on, but the land must be capable of being occupied as a residence. You will not be able to use it to buy a houseboat or motor home.

Do I have to live there?

Yes. To avoid the money being used to buy an investment property you must move in as soon as practical and live there for at least six months out of the following 12 months.

How long do I have to buy a home?

You'll have 12 months after withdrawing the money to sign a contract. Depending on the situation, there is the possibility of a 12-month extension.

What if I don't end up buying a home?

If you don't end up buying a home within the 12-month timeframe, you must either re-contribute the released amount back into superannuation, or pay a tax penalty equal to 20% of the amount released from super.

More information

For more information on the First Home Super Saver Scheme please visit the ATO:

www.ato.gov.au/Individuals/Super/Withdrawing-and-using-your-super/First-Home-Super-Saver-Scheme

Need more help?

We know your super inside out, so you don't have to worry!

If you would like further information about boosting your super, or any of our products and services, please call our Member Services team on **1300 300 820**. You can also refer to our website for forms and other fact sheets.