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# Catch up CCs – strategies and advice considerations

**The potential benefits of catch-up concessional contributions are greater than an increased CC cap.**

## Overview

Unused concessional contributions (CCs) can be carried forward to be used in future years. To be eligible, a client’s total super balance (TSB) at the previous 30 June must be below \$500,000. In addition, the work test or work test exemption must be satisfied for personal tax-deductible contributions from age 67.

This article highlights key advice opportunities and summarises the eligibility rules for catch-up CCs.

Eligibility rules for catch-up CCs, are in our ‘Guide to Concessional Contributions’ in the Appendix.

The CC and annual NCC caps (respectively) are \$30,000 and \$120,000 in 2025/26.

## Advice opportunities

The benefits of making catch-up CCs include:

- building your client’s superannuation
- rebuilding super after time out of the workforce, or a period of reduced hours
- managing capital gains on the disposal of a CGT asset, and
- helping manage personal income tax when receiving a bonus or termination payment, including redundancy.

Prior to making catch-up CCs, consider:

- the timing of contributions and how it may impact TSB and future contribution eligibility
- how to maximise total contributions, including other contribution types, when utilising the catch-up rules

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- contributions tax and any Division 293 tax compared to the client’s personal marginal tax rate, and
- CCs including catch-up CCs may be split to a spouse’s super account (known as contribution splitting and subject to eligibility).

## Advice tip

Unused CCs can be carried forward for up to five financial years. For the 2025/26 financial year, a client may have unused CC caps from up to five prior financial years, starting with 2020/21. Unused CC cap space from 2018/19 and 2019/20 are not available after 2024/25. Likewise, unused amounts from 2020/21 are lost if not used during 2025/26.

## Manage capital gains

A personal tax deduction gained through catch-up CCs can reduce tax on a realised capital gain. Consider the timing of the disposal of CGT assets and strategies that maintain eligibility to make personal deductible contributions (PDCs) using catch-up CCs when needed in the future, such as:

- utilising available catch-up CCs in a year where the benefit of the tax deduction is most valuable (ie the highest MTR)
- timing the sale of assets to manage tax and maximise contribution opportunities
- determining whether or not the work test (or work test exemption) can be satisfied for clients aged 67 or more, and
- considering the timing of contributions to manage TSB thresholds and the impact on eligibility to make catch-up CCs.

### Example 1: Making catch-up CCs to offset capital gains

Keith (55) is self-employed and has not made any CCs in any of the previous five financial years. His taxable income is approximately \$60,000 pa. Keith plans to sell an investment property next financial year and contribute the proceeds to super to build his retirement savings. He estimates the sale price to be approximately \$450,000, with an expected net capital gain of \$160,000. Keith also recently received an inheritance of \$200,000 and wants to contribute it to super. His TSB on 30 June 2025 was \$360,000 and his current account balance is \$390,000. He is not in a bring-forward period for NCCs.

#### If Keith contributes the full inheritance (\$200,000) as an NCC in 2025/26 (Scenario 1)

Keith is eligible to make an NCC of the full inheritance of \$200,000 this financial year and he triggers the NCC bring forward rule (three-year/\$360,000). However, as a result, his TSB on 30 June 2026 would exceed \$500,000 and he would not be eligible to use catch-up CCs in 2026/27 to help manage the CGT from the property sale. Keith would only be able to use the annual CC cap.

Keith's available CC cap in 2025/26 is \$167,500 (includes \$137,500 of catch-up CCs). He makes a PDC of \$38,000, reducing his taxable income to \$22,000.

In 2026/27, he can only contribute up to the annual CC cap to offset the capital gain (he is not eligible for catch-up CCs due to his TSB exceeding \$500,000 at 30 June prior) and the remaining bring forward NCC cap of \$160,000.

#### If Keith makes a reduced NCC (\$80,000) in 2025/26 (Scenario 2)

Keith makes an NCC of \$80,000 in late 2025/26 to maintain a TSB on 30 June 2026 below \$500,000. He only makes a CC of \$15,000 in 2025/26 (reducing his income to the top of the 16% MTR), leaving more catch-up CCs to offset the large capital gain in 2026/27.

In 2026/27, Keith would be eligible to make NCCs up to \$360,000 under the bring-forward rule, and a PDC of up to \$157,500 (\$30,000 annual CC cap (assuming no indexation) and \$127,500 (\$137,500 less \$25,000 + \$30,000 – \$15,000 catch-up CCs). This is summarised in the table below.

	Contribution type	2025/26	2026/27	Total
<b>Scenario 1</b>	<b>NCCs</b>	\$200,000	\$160,000	\$360,000
	<b>CCs</b>	\$38,000	\$30,000	\$68,000
<b>Scenario 2</b>	<b>NCCs</b>	\$80,000	\$360,000	\$440,000
	<b>CCs</b>	\$15,000	\$157,500	\$172,500

### Advice tip

Non-residents for tax purposes can use PDCs (including catch-up CCs) to reduce tax payable on income included in an Australian tax return. However, PDCs cannot be used to reduce tax payable subject to final withholding tax.

## Using the work test exemption to make catch-up CCs

To make PDCs from age 67, the work test or work test exemption must be satisfied. Eligibility for the work test exemption requires all of the following to be satisfied:

- the work test was satisfied in the previous financial year
- TSB at previous 30 June is below \$300,000, and
- the work test exemption cannot have been used in a previous financial year.

### Example 2: Using the work test exemption to make catch-up CCs

Anna (67) retired in February 2025 and her TSB on 30 June 2025 is \$200,000.

In 2025/26, she sells some shares and has a net capital gain of \$200,000. As Anna has:

- satisfied the work test in the previous financial year
- has a TSB below \$300,000 on the prior 30 June (30 June 2025), and
- has not previously used the work test exemption in a prior financial year

she can make PDCs in 2025/26 to offset part of the capital gain. She has unused CC cap amounts of \$50,000 and an annual cap of \$30,000 in 2025/26, allowing a total PDC of \$80,000 to offset against assessable capital gain, reducing her tax payable.

## Spouse contributions splitting

Concessional contributions, including catch-up CCs, may be split to a spouse (where eligible) under a contribution splitting arrangement. This could help to:

- manage TSB limits between members of a couple
- allow earlier access to super (where contributions are split to a spouse who will satisfy a condition of release earlier)
- increase Age Pension (or other income support payments) where the receiving spouse has not attained age 67
- fund insurance premiums where the policy is held by the spouse's super fund, and
- increase the amount that could be held by a couple in tax-effective retirement phase pensions by using both personal transfer balance caps.

The maximum amount that can be split is the lesser of:

- 85% of member's CCs made in a financial year, including eligible catch-up CCs (generally prior year – see Advice tip below)
- their CC cap in that financial year (including eligible catch-up CCs), and
- the taxable (taxed) component of the member's superannuation interest if they withdrew their entire interest from the fund.

### Advice tip

Where a PDC is intended to be split, a notice of intent must be lodged and acknowledged by the fund before a contribution splitting application can be made. A contribution splitting application can only be made in the financial year following the year in which the CC was made (except where the account is completely rolled over or withdrawn). You should confirm with the fund if they can facilitate contribution splitting as not all funds have this facility.

### **Example 3: Catch-up CCs and super contributions splitting**

Roger's employer has contributed to his super fund during the previous five financial years (from 2020/21). His TSB on 30 June 2025 is below \$500,000.

He meets all eligibility criteria to make catch-up CCs in 2025/26.

His available CC cap for 2025/26 is \$122,500 (unused CCs of \$92,500, plus the annual cap of \$30,000 in 2025/26). His employer contributions for 2025/26 is \$10,000, leaving an available CC cap of \$112,500.

Roger receives an inheritance and elects to make a PDC into super in 2025/26 of \$40,000.

After completing his notice of intent to claim and receiving acknowledgement from his super fund, Roger wishes to split some of his CCs to his spouse Ruby. Roger can split the lesser of:

- 85% of his total CCs for the year (\$42,500, which is 85% of \$50,000), and
- his CC cap for the year (\$122,500).

Roger decides to split the maximum \$42,500 of his CCs to Ruby.

For more guidance on contributions splitting, read our technical article **Benefits of contribution splitting** in the additional resources section in the Appendix.

### **Timing of contributions**

You should consider the timing of contributions to determine the impact on catch-up CC eligibility in future financial years.

Where a client would benefit from catch-up CCs in the next financial year and additional contributions will result in a TSB of at least \$500,000 (losing eligibility to catch-up CCs) consider whether the contribution can be delayed until on or after 1 July, for example:

- if the 90-day contribution window for a downsizer contribution permits the amount to be contributed in the new financial year
- if the window for a CGT cap contribution allows the contribution in the new financial year, or
- whether NCCs can be made in the next financial year.

#### **Advice tip**

Delaying a contribution may allow for greater management of TSB but can have consequences on investment returns, personal taxation, estate planning and assets at risk of bankruptcy.

#### **Example 4: Contribution timing**

Mark (69) recently sold his home for \$1m and settlement will take place on 24 April 2026. He has also decided to retire at the end of June from his part-time job from which he earns \$35,000 pa and will sell an investment property later next financial year with a net capital gain of \$200,000.

Mark's TSB on 30 June 2025 was \$230,000, and his TSB is projected to be approximately \$250,000 on 30 June 2026. His available CC cap for 2025/26 is \$70,000 including available catch-up CCs (after allowing for additional employer contributions). Mark can make a downsizer contribution of up to \$300,000 within 90 days of settlement. He can also make NCCs with the residual sale proceeds.

#### **If Mark makes additional contributions in 2025/26**

Mark makes:

- a downsizer contribution of \$300,000, and
- NCCs of \$360,000 (three-year bring-forward).

Due to his income in 2025/26, Mark cannot fully utilize his CC cap of \$70,000.

If Mark made the downsizer contribution and/or maximum NCC in 2025/26, his TSB on 30 June 2026 will exceed:

- \$300,000 which applies to determine eligibility for the work test exemption, and
- \$500,000 which applies to catch-up CCs.

This means he would not be eligible to make any PDCs next financial year, including catch-up CCs.

#### **Alternative strategy**

To maintain eligibility for the work test exemption and catch-up CCs in 2026/27, Mark could:

- ensure any contributions made before 1 July 2026 keep his 30 June 2026 TSB below \$300,000, and
- make the downsizer contribution of \$300,000 after 1 July, but before 90 days post settlement.

Mark can make an NCC of \$360,000 using the three-year bring-forward (if not already in bring-forward period) in 2026/27. He can apply the work test exemption in 2026/27 and make a PDC using carried forward amounts.

## Appendix

### Catch-up eligibility rules

The amount of CCs that can be carried forward is the difference between the annual CC cap and the amount of CCs made for or by the client in a financial year. CC caps for prior financial years can be found on the [ATO website](#).

To make a catch-up CC within a financial year, a client's TSB at the prior 30 June must be below \$500,000. TSB includes interests in accumulation and retirement phases as well as in-transit rollovers and certain limited recourse borrowing amounts, less structured settlement contributions.

The client must be eligible to contribute to super, ie under 75 and, if at least age 67, satisfies the work test or work test exemption. If the client has just turned age 75, voluntary contributions must be made on or before 28 days following the end of the month a client turns age 75.

#### Advice tip

Eligibility is based on the TSB at the 30 June prior to the year in which *the catch-up contribution is to be made*. Unused amounts accrue regardless of whether the:

- TSB at that time exceeds the limit
- person is working or not, and
- person is a resident or non-resident.

### How catch-up CCs are administered

The current year's annual CC cap is applied first and once exhausted, any carried forward amounts first apply from the earliest carry forward year.

### Does the super fund need to be notified?

When making a CC using the catch-up rules, there is no requirement to notify the super fund when contributing. All other rules and requirements are the same as the ordinary CC rules, including the timing requirements for a notice of intent to claim a tax deduction (or 290-170 notice) when claiming a tax deduction for a personal super contribution. The super fund reports contributions for the financial year to the ATO who determines the total CC cap a person has available including any carried forward CCs the person can use.

### How to manage unused CCs

Information about unused CCs can be found on an individual's myGov. Due to delays with fund reporting, the information displayed is based on the information provided to the ATO at that point. It is recommended that this information be compared to personally kept records and information obtained directly from super funds to ensure accuracy. For more information about how to access this information, please see our client friendly **How to monitor carried forward concessional contributions** located in the additional resources section below.

### Impact on Division 293 tax

An additional 15% tax applies to certain CCs made by high income earners. The tax applies when income for Division 293 purposes exceeds \$250,000.

Division 293 may also apply to catch-up CCs but does not apply to excess CCs. However, despite CCs being effectively taxed up to 30% for high-income earners, CCs are still tax effective, providing a tax benefit of up to 17% (30% compared to the top marginal tax rate of 47% including Medicare levy). For more information, read our adviser article **Div. 293 tax explained** and to help explain Division 293 tax to your clients, please see our client **KnowHow: Division 293 tax – additional tax on concessional contributions** in the additional resources section below.

## Additional resources

For more information about CCs and the catch-up rules, and for client-friendly resources, see:

### Adviser content

- [Guide to concessional contributions](#)
- [TSB fundamentals and impact on contributions](#)
- [Contribution splitting](#)
- [Division 293 tax explained](#)

### Client resources

- [How to monitor carried forward concessional contributions](#)
- [How to track your total super balance](#)
- [Division 293 tax - additional tax on concessional contributions](#)

## Contact details

### Important information

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