



TSB fundamentals and impact on contributions

It is important to understand how total super balance (TSB) is calculated, and how it impacts eligibility for different types of contributions.

Contributions impacted by TSB?

TSB on 30 June is used to determine eligibility for certain contributions in the following financial year, including:

- non-concessional contributions (NCCs) eg personal contributions for which a tax-deduction isn't claimed and spouse contributions
- concessional contributions (CCs) when using either:
 - available catch-up CC cap, or
 - the work-test exemption, and
- eligibility for government co-contribution or spouse contribution tax offset.

Contributions not impacted by TSB

Certain types of contributions are not impacted by a member's TSB, including:

- CCs within the general annual CC cap (\$30,000 for 2025/26)
- downsizer contributions
- personal injury (structured settlement) contributions, and
- CGT cap contributions (related to the Small Business CGT Concessions).

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What is included in TSB?

A member's TSB is the total value of their super interests as at the previous 30 June. The elements that are included in a member's TSB are outlined in table 1.

Table 1: Definition of TSB

The previous 30 June value of the following interests count towards TSB:

Accumulation phase super interests
Accumulation phase super interests include the withdrawal value of: <ul style="list-style-type: none">▪ accumulation accounts▪ transition to retirement (TTR) income streams that are not in retirement phase▪ certain deferred super income streams▪ super income streams that cease to be in retirement phase (eg failure to meet the minimum pension standards) and▪ the value of defined benefit interests (not in retirement phase).
Plus
Retirement phase super interests
Retirement phase value is the sum of: <ul style="list-style-type: none">▪ the member's transfer balance account at previous 30 June (but not less than nil) adjusted for certain credits/debits relating to account based pensions (ABP), term allocated pension (TAP) and structured settlements. Refer to Appendix A for more information, and▪ the previous 30 June withdrawal value of an ABP or Term Allocated Pension (TAP).
Plus
In-transit rollovers
The amount of each rollover super benefit in transit between super funds at previous 30 June (ie rolled out of super fund before 30 June and not received by another super fund by 30 June).
Plus
Limited Recourse Borrowing Arrangements (LRBA)
A member's proportion of outstanding LRBA balance, where the SMSF has borrowed to invest since 1/7/2018 ¹ , if the borrowing arrangement is with a related party of the fund or the member has satisfied a condition of release with a nil cashing restriction (eg permanent retirement).
Less
Personal injury/Structured settlement contributions
Any personal injury (structured settlement) contributions that have been paid into the member's super funds.

¹ Excludes refinancing of pre-1 July 2018 LRBA's if the new borrowing is secured by the same asset/s as the old borrowing and the refinanced amount is the same or less than the existing LRBA. Outstanding balance each 30 June will be reported to the ATO in the annual SMSF return.

How does TSB impact contributions?

Concessional contributions

Table 2 summarises the impact of TSB on concessional contributions.

Table 2: CC and TSB impact table

The thresholds in this table are not indexed.

Measure	Eligible if TSB on previous 30 June was:	Details
Work test exemption	< \$300,000	<p>To be eligible to make a personal tax-deductible super contribution, members aged at least 67 must satisfy the work test (be gainfully employed for at least 40 hours in 30 consecutive days within the financial year) or the work test exemption.</p> <p>The work test exemption is satisfied if the member:</p> <ul style="list-style-type: none"> ▪ had a TSB at previous 30 June of less than \$300,000 ▪ satisfied the work test in the immediately preceding financial year ▪ has not used the work test exemption in a previous financial year. <p>Personal contributions for which a tax deduction will be claimed must be received by the super fund on or before 28 days following the end of the month the member turns 75.</p>
Catch-up CCs	<\$500,000	<p>Unused CC cap amounts can be carried forward for up to 5 years. To be eligible to use catch-up CCs, TSB at the previous 30 June must be less than \$500,000.</p> <p>The member must also satisfy the contribution eligibility rules.</p>

Non-concessional contributions

Table 3 summarises the impact of TSB on non-concessional contributions.

Table 3: NCC and TSB impact table (2025/26)

The below thresholds are subject to indexation.

Contribution	Eligible if TSB on 30 June 2025 was:	Details
Non-concessional contributions (NCC)	To be eligible for the bring forward rule, the member must be less than age 75 ² at 1 July 2025	
	Less than \$1.76m	NCC up to \$360,000 ³ (3 years of NCC, bring forward 2 years)
	\$1.76m to < \$1.88m	NCC up to \$240,000 ³ (2 years of NCC, bring forward 1 year)
	\$1.88m to < \$2m	NCC up to \$120,000 (the annual cap, no bring forward)
	\$2m and above	Nil. Any NCC will breach the NCC cap and result in excess NCCs.
Govt co-contribution	Less than \$2m	If TSB is less than \$2m, may be eligible to receive a Government Co-contribution up to \$500 (a super contribution from the Government for eligible lower income earners who make NCCs to super).
Spouse contribution tax offset	Receiving spouse's TSB is less than \$2m	If the receiving spouse of a spouse contribution has a TSB less than \$2m, the contributing spouse may be eligible for the spouse contribution tax offset (up to \$540).

Residual NCC from bring forward in previous financial years

To make a NCC in the 2025/26 financial year from the residual (or unused) amount of a previous bring forward period, the 30 June 2025 total super balance must be less than \$2m. Otherwise the residual amount cannot be contributed.

² If a member turns 75 in June 2025, they are not eligible for the bring forward rule in 2025/26. They can contribute up to \$120,000 in 2025/26 providing their TSB at 30 June 2025 is less than \$2m and the contribution is received by the fund on or before 28 July 2025.

³ If the annual NCC cap is indexed during a member's bring forward period, the maximum bring forward amount does not change (eg if a member triggers a 3 years/\$360,000 bring forward period and the annual cap is subsequently indexed, the client will remain locked in at 3 years/\$360,000).

Appendix A: Transfer balance account

The following table lists debits and credits assessed against the transfer balance account and whether the amount is disregarded for TSB purposes.

Event	Credit or debit	Disregard
Commencement of account based income streams	Credit	Yes
Commutations from account based income streams	Debit	Yes
Reduction in account based income stream due to fraud, bankruptcy or dishonesty	Debit	Yes
Payment split to account based income stream (divorce or relationship breakdown)	Debit	Yes
Super income stream provider failing to comply with commutation authority	Debit	Yes
Account based income stream that fails the pension/annuity standards	Debit	Yes
Structured settlement payments	Debit	No
Excess transfer balance earnings	Credit	No
Non-commutable excess transfer balance	Debit	No

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