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The information in this document is factual information, and is not financial advice. The information is objectively ascertainable information and is not tailored to your personal circumstances. You should obtain financial advice before making a decision in relation to this information. All examples are provided for illustrative purposes only.

Downsizer contributions

Individuals 55 years of age or over can make a downsizer contribution into superannuation of up to $300,000 each from the proceeds of selling their home.

Rules for downsizer contributions

- The contribution amount cannot be greater than the total proceeds received from the sale.
- There is no requirement for another home to be purchased.
- The downsizer contribution must be made within 90 days of receiving the proceeds of sale, which is usually the date of settlement.
- The downsizer contribution does not count towards the concessional or non-concessional contribution caps and is not limited by an individual's total superannuation balance but it will increase the individual's total superannuation balance.
- The commencement of a retirement phase income stream from a downsizer contribution will be dependent on any remaining balance of the individual's transfer balance cap.
- An individual can only access the downsizer contribution measure once. This means an individual can only make a downsizer contribution for the sale or disposal of one home, including the sale of a part interest in a home. If there is a subsequent sale or disposal a further downsizer contribution cannot be made.
- If the home that was sold was only owned by one member of a couple, the spouse that did not have an ownership interest may also make a downsizer contribution, or have one made on their behalf, provided all of the other requirements are met.

Eligibility requirements

To be eligible to make a downsizer contribution:

- An individual must be 55 years of age or older at the time of making a downsizer contribution (there is no maximum age limit).
- A downsizer contribution must not have previously been made from the sale of another home.
- The home must have been owned by an individual or their spouse for 10 years or more prior to the sale. The ownership period is generally calculated from the date of settlement of purchase to the date of settlement of sale.
- The home must be in Australia and cannot be a caravan, houseboat or other mobile home.
- Any capital gain or loss from the sale of the home must be exempt, or partially exempt from capital gains tax (CGT) under the main residence exemption, or would be entitled to such an exemption if the home was not a pre-CGT asset.
- The superannuation fund receiving the contribution must receive the required downsizer contribution into super form, either before, or at the time of making the downsizer contribution.

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