FIRST HOME SUPER SAVER SCHEME

The First Home Super Saver Scheme (FHSSS) is an Australian Government initiative introduced for Australians to buy their first home using their superannuation. This Scheme allows singles to contribute up to $15,000 per financial year with a lifetime limit of $50,000 to save for a home deposit. Once ready, you can apply to release that $15,000, or up to the maximum of $50,000 across all years (for contributions made from 1 July 2017), plus any associated earnings.

The FHSSS applies to voluntary superannuation contributions made towards your superannuation, contributions made by your employer do not apply. The voluntary contributions include salary sacrifice and personal contributions.
For many individuals, the First Home Super Saver Scheme (FHSSS) has the potential to enhance their savings for a home deposit by a minimum of 30 percent when compared to traditional savings methods using a standard deposit account.

Eligible borrowers can utilise the First Home Super Saver Scheme (FHSSS) in conjunction with other governmental programs, such as the First Home Guarantee Scheme (FHBG), as well as state and territory-specific first home owner grants and stamp duty concessions. This combined support can enhance the resources available to individuals seeking to purchase their first home.

Who is eligible?

- You are 18 or older when making a FHSSS release request
- You have not made a previous FHSSS release request
- You have not previously owned property in Australia (unless you lost your property due to financial hardship*)
- You will occupy the property for at least six months within the first 12 months after it becomes available for occupancy.

How to make contributions to your superannuation

- Salary sacrifice allows your employer to contribute extra funds to your superannuation from your pre-tax salary. This not only lowers your taxable income but also boosts your super balance.
- If you are self-employed or if your employer does not offer salary sacrifice, you can make personal contributions from your after-tax salary and claim a tax deduction. This will transform your contribution into a concessional (before-tax) contribution.
- You can also make after-tax contributions to your super account from your take-home pay.

*Please note that the general contribution limits for your superannuation still apply. Starting from the 2024/25 financial year, the cap for annual concessional (before-tax) contributions is set at $30,000, and the cap for annual non-concessional (after-tax) contributions is set at $120,000. If you exceed these limits, you may be subject to additional taxes, even if the contributions are made for the First Home Super Saver Scheme (FHSSS).

How to draw funds for the FHSSS

1. Through your myGov account, you can apply for an 'FHSSS determination' from the Australian Taxation Office (ATO). The ATO will assess and determine your maximum FHSSS release amount.
2. After receiving your FHSSS determination, you should submit a request to the ATO to access your maximum FHSSS amount.
3. The ATO will send a release authority to your superannuation fund for the First Home Super Saver (FHSS) amount, which will be paid to the ATO. The ATO will withhold any applicable taxes and then pay the remaining amount to you. This process typically takes 15 to 20 business days.

The amount you can release under the FHSSS includes:

- 100% of your eligible voluntary personal super contributions (non-concessional contributions)
- 85% of your eligible voluntary personal super contributions on which you've claimed a tax deduction (concessional contribution)
- 85% of your eligible salary sacrifice contributions (concessional contribution)

Conditions you should know

- You need to obtain a FHSSS determination before signing a property contract. The release amount should be requested within 90 days after signing the property contract.
- The contract must pertain to a residential property in Australia; motorhomes and houseboats are not applicable.
- You have 12 months to purchase or enter a contract to build a home from the date you submitted your withdrawal request to the ATO. You must notify the ATO through myGov within 28 days of signing the contract.
- If you do not sign a contract to purchase or build a home within 12 months, the ATO may grant an extension of another 12 months.
- If, after the 12-month extension, you have not signed a contract to purchase or construct a home, you have two options: you can either recontribute the funds into your superannuation account, which will be considered a non-concessional contribution, or you can choose to keep the funds and incur a first home super saver scheme (FHSSS) tax of 20%.
- Withdrawals made under the FHSSS can affect your assessable income during tax time. The ATO provides a payment summary that outlines the assessable components. The tax on the assessable amount will receive a 30% tax offset.
- *If you have previously owned a home which you lost due to financial hardship, you may be eligible to apply for the FHSSS. This includes: bankruptcy, divorce, separation from a de-facto partner or relationship breakdown, loss of employment, illness, or natural disaster.