First Home Super Saver Scheme (FHSSS)

The FSSS allows aspiring homeowners aged 18 years or older, who have never owned real property in Australia or are experiencing financial hardship, to put some superannuation towards a home deposit.

Benefits

- The First Home Super Saver Scheme (FHSSS) is designed to assist eligible Australians to boost their savings for a home by allowing them to save part of their deposit inside the lower-taxed environment of the superannuation system.
- You may still be eligible even if you have previously owned property in Australia, if the Commissioner of Taxation determines that you have suffered financial hardship
- Accessing your FHSSS money for a deposit, or payment towards settlement, is a possibility even if you marry someone who is not a first home buyer and you want to buy your new family home in both names. FHSSS is assessed per individual, even if the money goes towards a house that is also purchased by a person who has previously owned a home.
- Although the concessional part of the money released to a first homebuyer from the FHSSS will be included in your total taxable income, the money will not be used for other income tests by the ATO. This means withdrawals from FHSSS are not included in the calculation of any repayments you need to make for HECS/HELP debts, or in the income tests used to calculate social security entitlements such as family tax and child care benefits.

How it works

- You will be able to withdraw voluntary superannuation contributions you have made since 1 July 2017 to help purchase your first home. Individuals can contribute up to $15,000 per financial year, up to a total of $30,000 across all years, (or $60,000 in total for an eligible couple). The contributions must be within the contribution caps.
- You can make voluntary FHSSS contributions using a salary sacrifice arrangement with your employer, or you can make tax-deductible superannuation contributions. Alternatively, you can make non-concessional (after-tax) contributions to your superannuation account under the FHSSS.
- All contributions counted towards the scheme must be voluntary contributions. The Superannuation Guarantee (SG) amounts paid by your employer and government co-contributions cannot be directed towards your FHSSS savings.
- The maximum release amount is the sum of your eligible contributions and associated earnings. This amount includes up to 100% of non-concessional and 85% of concessional contributions plus associated earnings calculated on these contributions using a deemed rate of return based on the 90-day Bank Bill rate plus three percentage points (shortfall interest charge rate).
- You may be eligible if you have never owned property in Australia – this includes an investment property, commercial property, a lease of land in Australia, or a company title interest in land in Australia.

- The FHSSS applies to residential premises, and you must live there. You must move in as soon as practical and live there for at least six months of the first 12 months you own it. This is to avoid the money being used to buy an investment property.
- Houseboat, motor homes or mobile homes do not qualify. Vacant land qualifies if you are going to build on it and the land must be capable of being occupied as a residence.
- You can start making superannuation contributions from any age, but you can't request a release of amounts under the FHSSS until you are 18 years old.
- You can consent for the release of the FHSSS maximum release amount stated in the determination, or choose a lower amount.
- If you have previously received an FHSSS amount, you will not be eligible for further release.

Making your contributions

When making your contributions into superannuation, consider the order they will be counted. The order may affect your maximum release amount, and are counted in the following order:

- A first-in first-out rule applies – this means that contributions you make in an earlier financial year are counted before contributions in a later financial year. Contributions you make within a financial year are counted in the order you make them.
- A simultaneous contributions rule applies – this means that if you make an eligible concessional contribution and an eligible non-concessional contribution at the same time (for example, in the same payroll process), your non-concessional contributions are taken to be made first.

Where you make your contributions within a financial year and you claim a deduction for some or all of the contributions, the resulting eligible non-concessional contributions (if any) are taken to be made before any eligible concessional contribution.

Consequences

Like most financial matters, the First Home Super Saver Scheme can be complex, and there are many important rules, risks and consequences to navigate.

What to do next?

Your local Westlawn Financial Adviser can help you with personal advice that is tailored to your unique personal needs and circumstances.

Contact Westlawn Wealth Management Pty Ltd today on (02) 6642 0433 or email planning@westlawn.com.au to arrange an appointment.