Australian Government

KEY FACT SHEET

First Home Super Saver Scheme

The First Home Super Saver Scheme (FHSSS) helps Australians boost their savings for a first home by allowing them to build a deposit inside superannuation, giving them a tax cut.

The FHSSS applies to voluntary superannuation contributions made from 1 July 2017. These contributions, along with deemed earnings, can be withdrawn for a home deposit from 1 July 2018.

For most people, the FHSSS could boost the savings they can put towards a deposit by at least 30 per cent compared with saving through a standard deposit account.

Am I eligible to use the FHSSS?

You can release funds under the FHSSS if you are 18 or over, have not used the FHSSS before, and have never owned real property in Australia. You will be eligible if you meet all eligibility criteria, even if you plan to purchase with a partner who does not meet the criteria.

How much can I contribute?

You can contribute up to $15,000 a year, and $30,000 in total, under the FHSSS. These contributions must be within existing contribution caps (e.g. the $25,000 per year concessional contributions cap).

How do I make my contributions?

Any voluntary contribution you make into your superannuation account can count towards your FHSSS balance. You may speak to your employer to set up a salary sacrifice arrangement, or you may make a personal contribution directly to your fund.

Will my contributions be taxed?

Concessional contributions (e.g. salary-sacrificed) are taxed at 15 per cent in the fund, as usual. Any after-tax contributions are not taxed.

How will my contributions grow?

You will be able to withdraw a deemed rate of earnings on top of your contributions. This deemed rate is set to the ‘Shortfall Interest Charge’, which was around 4.7 per cent last year. This deemed earnings rate is higher than typical deposit rates currently on offer from financial institutions.

When can I withdraw my savings?

From 1 July 2018, you can withdraw your savings when you are ready to enter the housing market. You do not need to have found your home yet, but you will need to buy a home within 12 months of withdrawal. You can ask the Australian Tax Office (ATO) to extend this to 24 months.

How will my savings be released?

The ATO will be able to tell you the maximum amount you can release under the FHSSS, and you can apply to them to release when you’re ready. Withdrawals are generally taxed at your marginal tax rate less a 30 per cent rebate. The ATO will arrange for money to be released from your super and will pay it on to you. They will withhold an estimate of the tax owed on the withdrawal amount. Visit ato.gov.au for more details.

What kind of home could I buy?

You must buy a ‘residential premises’ after withdrawing your savings. This includes vacant land (if you’re planning to build), but not any premises that can’t be occupied as a residence, and not houseboats or motor homes. It has to become your home, not an investment property; you would have to occupy the premises for at least 6 months in the year after purchase (or construction).

What if I don’t end up buying a home?

If you don’t buy a home after your time expires, you may either contribute the released amount back into superannuation, or pay a tax equal to 20 per cent of the concessional amount released. This removes the tax benefit you received from using the FHSSS.