Fact sheet

What is the first home super saver scheme?

If you are a first home buyer, you can choose to save money for your first home inside your super fund. This helps first home buyers save faster with the concessional tax treatment of super.

First home buyers can boost savings put towards a deposit by accessing the First home super saver scheme (FHSSS). As amounts saved through the scheme will only be taxed at 15% instead of your marginal tax rate, this can help you purchase your first home sooner.

To release funds under the scheme, you must:

- Be 18 years or over,
- Not have owned a property in Australia
- Not have previously released FHSSS funds
- Either live or intend to live in the premises being purchased as soon as practicable, and
- Intend to live in the property for at least six months within the first 12 months of purchasing, after it is practical to move in.

Each member of a couple meeting eligibility criteria may participate in the scheme as desired.

How much can I release?

You can have a maximum of $15,000 of your voluntary contributions from any one financial year included in your eligible contributions to be released under the scheme, up to a total of $50,000 across all years.

The order and type of contributions made into superannuation can make a difference to the amount released. You can withdraw, taking into account the yearly and total limits:

- 85% of your concessional amounts, and
- 100% of your non-concessional amounts

In addition to the above, the ATO will calculate an amount of deemed earnings associated with both the concessional and non-concessional contributions. This is called "associated earnings", the associated earnings will also be released with the contributions.

How do I release FHSSS amounts?

You can apply online to the ATO using your myGov account. Once the ATO determines the amount for release, and you agree to the amount, the ATO will authorise your superannuation fund(s) to release funds to the ATO. As concessional contributions and all associated earnings are included in your assessable income, the ATO will withhold the appropriate amount of tax and send the balance of savings to you.

Other important things

Before commencing voluntary contributions towards the scheme, check that your nominated superannuation fund(s) will release the money when required as it is not compulsory for all superannuation funds to participate in the scheme.

You may contribute up to existing superannuation contribution caps each year and having amounts released under the scheme does not affect the calculation of your concessional or non-concessional contributions for cap calculation purposes.

The amount of concessional contributions and associated earnings released will be included in your assessable income and taxed at your marginal tax rate in the year of the release. However you are also entitled to a 30% tax offset on the assessable amount. ATO will apply withholding tax up to 17% of the assessable amount when the amount is released to you.

Only one FHSSS amount can be released and there is a time limit on the use of funds. If you do not purchase a home within 12 months of receiving the FHSSS amount, you can apply for a 12 month extension from the ATO, recontribute the amount as a non-concessional contribution or keep the released amount and be subject to 20% FHSSS tax.

You must apply for and receive a FHSSS determination from the ATO before signing a contract for your first home or before applying for the release of an FHSSS amount.

You can sign a contract to purchase or construct a home from the date you make a valid request to release FHSSS amounts or up to 14 days before you make a valid request to release FHSSS amounts.

You are not required to wait until the first FHSSS amount is released to you before signing a contract to purchase or construct a home.

[i] Exemptions may apply if the Commissioner of Taxation has determined you have suffered a financial hardship.