Concessional Contributions – Carry Forward

As part of the Federal Government's superannuation reforms, eligible individuals may be able to carry forward unused concessional contribution cap amounts and use them in a later financial year.

What is a concessional contribution?

Concessional contributions include:

- Contributions made by an employer on behalf of their employees to fulfil their Superannuation Guarantee obligations.
- Contributions made under an effective salary sacrifice agreement between an employee and their employer.
- Other discretionary contributions made by an employer.
- Personal contributions made by an individual where a personal tax deduction is to be claimed.
- Contributions made by third parties, such as contributions made by a parent for their adult children.
- Concessional contributions can generally be made for or on behalf of a person under age 75, subject to the applicable superannuation contribution acceptance rules.

Concessional contribution cap

From 1 July 2017, the maximum concessional contributions that could be made to superannuation in any one financial year was limited to a maximum of $25,000. This is referred to as the concessional contribution cap.

The cap will increase in the future in line with movements in Average Weekly Ordinary Time Earnings, in increments of $2,500. As a result of indexation, the concessional contribution cap increased to $32,500 from 1 July 2026.

Total Superannuation Balance

To be eligible to carry forward the unused portion of the concessional contribution cap, a person must have a total superannuation balance of less than $500,000. The total superannuation balance is the total of all the money a person has in the superannuation system as at the previous 30 June.

When calculating the total superannuation balance all amounts held in superannuation accumulation accounts, the balance of any accounts paying a pension, and amounts being transferred between superannuation, are included.

For example, a person with $200,000 in a superannuation accumulation account and a pension account balance of $250,000, as at the previous 30 June, will have a total superannuation balance of $450,000.

How the carry-forward opportunity works

Any unused concessional contribution cap that accrues from 1 July 2018 may be carried forward for a period of up to five years.

If the concessional contribution cap was not fully utilised in any financial year before 1 July 2018, the unused portion cannot be carried forward. Unused amounts expire after five years.

Example

Elaine has a total superannuation balance of less than $500,000 as of 30 June 2025.

Her employer made concessional contributions of $8,000 in the 2024-25 financial year. She also made a personal tax-deductible contribution of $2,000, bringing her concessional contributions for the year to $10,000.

Elaine's unused concessional contribution cap is $20,000 (i.e. $30,000, less $10,000).

She can carry the unused portion of her concessional contribution cap forward for up to five financial years.

This means that in 2025-26, the maximum concessional contribution that could be made, provided her total superannuation balance as at 30 June 2025 was less than $500,000, is $50,000 (the basic $30,000 concessional contribution cap, plus $20,000 carried forward from 2024-25).

Note: For the sake of simplicity, the unused concessional contribution cap from years prior to 2024-25 has been ignored in this example.

The following table illustrates the application of the carry-forward opportunity:

	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26
CC Cap	$25,000	$27,500	$27,500	$27,500	$30,000	$30,000
CCs Made	$0	$35,000	$20,000	$27,500	$35,000	$40,000
Unused cap	$25,000	$0	$7,500	$0	$0	$0
C/F applied	$0	$7,500	$0	$0	$5,000	$10,000
Unused C/F	$25,000	$17,500	$25,000	$25,000	$20,000	$10,000