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

The concessional contribution cap is the maximum amount of before-tax contributions that can be made to superannuation each financial year without exceeding the cap. From 1 July 2021 to 30 June 2024, the concessional contribution cap was $27,500. From 1 July 2024 to 30 June 2026, the concessional contribution cap was $30,000. From 1 July 2026, the concessional contribution cap is $32,500.

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

Unused concessional contribution cap amounts may be carried forward for up to five financial years. For the 2026-27 financial year, unused cap amounts from 2021-22 onwards may be available, provided the person meets the eligibility rules.

Unused concessional contribution cap amounts from 2020-21 and earlier have expired for 2026-27 purposes because unused amounts are only available for five financial years.

Example

Elaine has a total superannuation balance of less than $500,000 as of 30 June 2026.

Her employer made concessional contributions of $8,000 in the 2025-26 financial year. She also made a personal tax-deductible contribution of $2,000 in 2025-26, bringing her total concessional contributions for the year to $10,000.

The 2025-26 concessional contribution cap is $30,000. Elaine's unused concessional contribution cap for 2025-26 is therefore $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 2026-27, the maximum concessional contribution that could be made, provided her total superannuation balance as at 30 June 2026 was less than $500,000, is $52,500. This is made up of the $32,500 concessional contribution cap, plus $20,000 carried forward from 2025-26.

Note: For the sake of simplicity, unused concessional contribution cap amounts from years prior to 2025-26 have been ignored in this example.

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

	2022-23	2023-24	2024-25	2025-26	2026-27
CC Cap	$27,500	$27,500	$30,000	$30,000	$32,500
CCs Made	$20,000	$27,500	$35,000	$40,000	$32,500
Unused cap	$7,500	$0	$0	$0	$0
C/F applied	$0	$0	$5,000	$10,000	$0
Unused C/F	$7,500	$7,500	$2,500	$0	$0