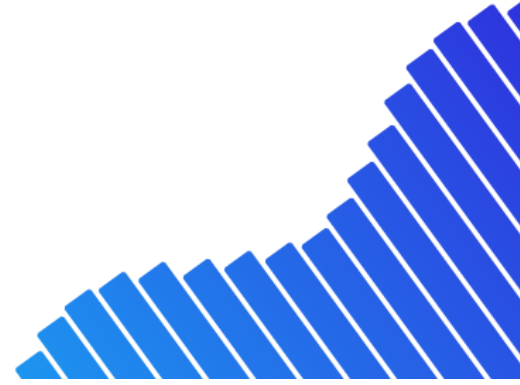


# Ready Reckoner: Superannuation caps 2026–27

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Updated as of 1 July 2026



## Superannuation caps and thresholds

1 July 2026, brings a number of major superannuation changes, including the implementation of Payday Super and the new Division 296 tax, along with increases to a range of superannuation caps and thresholds due to indexation. While some will welcome these changes, such as employees who are set to receive their superannuation contributions in a more timely manner, they will be accompanied by increased complexity as practitioners and taxpayers navigate the impacts.

Below is our annual superannuation ready reckoner with all the key superannuation thresholds and rates and what is changing this year.

Legislative references:

- *Income Tax Assessment Act 1997 (ITAA 1997)*
- *Superannuation Guarantee (Administration) Act 1992 (SGAA)*
- *Superannuation Industry (Supervision) Regulations 1994 (SISR)*

**Table 1: Contributions caps and thresholds**

Contributions caps and thresholds	2025–26	2026–27
Concessional contributions (CC) cap <sup>1</sup>	\$30,000	\$32,500
General non-concessional contributions (NCC) cap <sup>2</sup>	\$120,000	\$130,000
General NCC cap under 3-year bring forward rule <sup>3</sup> (see Table 2)	\$360,000	\$390,000

<sup>1</sup> Subsection 291-20(2) of the ITAA 1997.

<sup>2</sup> Paragraph 292-85(2)(a) of the ITAA 1997. The general non-concessional contributions cap is set at four times the amount of the concessional contributions cap.

<sup>3</sup> Subsection 292-85(3) of the ITAA 1997.

<b>Contributions caps and thresholds</b>	<b>2025–26</b>	<b>2026–27</b>
Carry forward of unused concessional contributions — total superannuation balance ( <b>TSB</b> ) just before the start of the financial year <sup>4</sup>	< \$500,000	< \$500,000
CGT cap amount <sup>5</sup>	\$1,865,000	\$1,935,000
Division 293 tax threshold <sup>6</sup>	\$250,000	\$250,000
Government co-contribution <sup>7</sup> :		
● Maximum amount	\$500	\$500
● Lower income threshold	\$47,488	\$49,293
● Higher income threshold	\$62,488	\$64,293
Low income superannuation tax offset <sup>7</sup> where adjusted taxable income does not exceed \$37,000 <sup>8</sup>	Up to \$500	Up to \$500
Work test exemption for those aged 67–74 (only in their first year of retirement) — based on TSB of individual at the end of the previous financial year <sup>9</sup>	\$300,000 <sup>9</sup>	\$300,000 <sup>9</sup>

<sup>4</sup> Section 291-20 of the ITAA 1997.

<sup>5</sup> Section 292-105 of the ITAA 1997.

<sup>6</sup> Section 293-20 of the ITAA 1997. The Division 293 threshold was \$300,000 from the 2012–13 to the 2016–17 income years.

<sup>7</sup> See the *Superannuation (Government Co-contribution for Low Income Earners) Act 2003*.

<sup>8</sup> From 1 July 2027, the low income superannuation tax offset (**LISTO**) will be increased to \$45,000, and the maximum LISTO amount will be calculated based on a charge percentage in accordance with the *Treasury Laws Amendment (Building a Stronger and Fairer Super System) Act 2026*.

<sup>9</sup> Regulations 7.04(1A) of the SISR.

Table 2: Bring forward rule (non-concessional contributions)

<b>Bring forward period: 2026–27 to 2028–29</b> <b>Total superannuation balance on 30 June 2026</b>	<b>NCC cap for 2026–27</b> (first year)	<b>Maximum bring forward period</b>
Less than \$1.84 million	\$390,000	3 years
\$1.84 million to less than \$1.97 million	\$260,000	2 years
\$1.97 million to less than \$2.1 million	\$130,000	No bring forward period — general NCC cap applies
\$2.1 million or more	Nil	Not applicable

<b>Bring forward period: 2025–26 to 2027–28</b> <b>Total superannuation balance on 30 June 2025</b>	<b>NCC cap for 2025–26</b> (first year)	<b>Maximum bring forward period</b>
Less than \$1.76 million	\$360,000	3 years
\$1.76 million to less than \$1.88 million	\$240,000	2 years
\$1.88 million to less than \$2 million	\$120,000	No bring forward period — general NCC cap applies
\$2 million or more	Nil	Not applicable

<b>Bring forward period: 2024–25 to 2026–27</b> <b>Total superannuation balance on 30 June 2024</b>	<b>NCC cap for 2024–25</b> (first year)	<b>Maximum bring forward period</b>
Less than \$1.66 million	\$360,000	3 years
\$1.66 million to less than \$1.78 million	\$240,000	2 years
\$1.78 million to less than \$1.9 million	\$120,000	No bring forward period — general NCC cap applies
\$1.9 million or more	Nil	Not applicable

<b>Bring forward period: 2023–24 to 2025–26</b> <b>Total superannuation balance on 30 June 2023</b>	<b>NCC cap for 2023–24</b> (first year)	<b>Maximum bring forward period</b>
Less than \$1.68 million	\$330,000	3 years
\$1.68 million to less than \$1.79 million	\$220,000	2 years
\$1.79 million to less than \$1.9 million	\$110,000	No bring forward period — general NCC cap applies
\$1.9 million or more	Nil	Not applicable

## Points to note — bring forward rule

- An individual will trigger the bring forward rule for a financial year (the **first year**) if:<sup>10</sup>
  - their non-concessional contributions for the first year exceed the general NCC cap;
  - their TSB immediately before the start of the first year does not exceed the general transfer balance cap (**TBC**);
  - they are under 75 years at any time in the first year (see **Note 3** below);
  - they have not already triggered the bring forward rule in either of the previous two financial years before the first year; and
  - the difference (the **first year gap space**) between the general TBC for the first year and their TSB immediately before the start of the first year exceeds the general NCC cap for the first year.
- The [Treasury Laws Amendment \(More Flexible Superannuation\) Act 2021](#) extended the bring forward rule by enabling individuals aged 65 and 66 to make up to three years of NCC under the bring forward rule. The measure applies to contributions made on or after 1 July 2020. Prior to 1 July 2020, the bring forward rule was available only to those individuals aged under 65 years at any time in a financial year.
- The [Treasury Laws Amendment \(Enhancing Superannuation Outcomes For Australians and Helping Australian Businesses Invest\) Act 2022](#) further extended the bring forward rule. For contributions made on or after 1 July 2022, an individual who is aged less than 75 years at any time in a financial year may be able to make non-concessional contributions of up to three times the annual NCC cap in that financial year. If they are aged 75 years or older, the fund may be able to accept only mandated employer contributions and downsizer contributions.
- The bring forward rule is subject to the individual's TSB on 30 June of the previous financial year. If an individual is aged 75 years or older on 1 July of the financial year (from 1 July 2022), they cannot access the bring forward rule.

<sup>10</sup> Subsection 292-85(3) of the ITAA 1997.

5. Once the bring forward arrangement is triggered in a year, any change to the NCC cap for the bring forward period does not apply. The bring forward cap amount is set based on the cap in the first year of the bring forward period.

This means that:

- While the NCC cap in the second and third year of a bring forward period started in 2019–20 or 2020–21 will change to \$110,000 due to indexation, that individual’s NCC cap will still be **\$300,000** (\$100,000 × 3 years) and does not increase to:
  - \$310,000 (\$100,000 + \$100,000 + \$110,000); or
  - \$320,000 (\$100,000 + \$110,000 + \$110,000).
- While the NCC cap in the second and third year of a bring forward period started in 2022–23 or 2023–24 will change to \$120,000 due to indexation, that individual’s NCC cap will still be **\$330,000** (\$110,000 × 3 years) and does not increase to:
  - \$340,000 (\$110,000 + \$110,000 + \$120,000); or
  - \$350,000 (\$110,000 + \$120,000 + \$120,000).
- While the NCC cap in the second and third year of a bring forward period started in 2024–25 or 2025–26 will change in 2026–27 to \$130,000 due to indexation, that individual’s NCC cap will still be **\$360,000** (\$120,000 × 3 years) and does not increase to:
  - \$370,000 (\$120,000 + \$120,000 + \$130,000); or
  - \$380,000 (\$120,000 + \$130,000 + \$130,000).

**Table 3: Transfer balance cap**

<b>Transfer balance cap</b>	<b>2025–26</b>	<b>2026–27</b>
General transfer balance cap <sup>11</sup>	\$2,000,000	\$2,100,000
Defined benefit income cap <sup>12</sup>	\$125,000	\$131,250

<sup>11</sup> Subsection 294-35(3) of the ITAA 1997. The general TBC was \$1.6 million from the 2017–18 to the 2020–21 financial years, \$1.7 million for the 2021–22 and 2022–23 financial years, \$1.9 million for the 2023–24 and 2024–25 financial years, \$2 million for the 2025–26 financial year and \$2.1 million for the 2026–27 financial year.

<sup>12</sup> Subsection 303-4(1) of the ITAA 1997. The defined benefit income cap is set by dividing the general TBC by 16.

Table 4: Superannuation guarantee charge

Superannuation guarantee charge <sup>13</sup>	2025–26	2026–27 <sup>14</sup>
Charge percentage	12%	12%
Maximum contribution base per quarter <sup>15</sup>	\$62,500	\$67,707.50
Annual equivalent	\$250,000	\$270,830
SG amount per annum	\$30,000	\$32,499.60

Table 5: Benefit payments

Benefit payments	2025–26	2026–27
<b>Minimum annual drawdowns for a superannuation income stream (pension)<sup>16</sup></b>	<b>Standard drawdown rate</b>	
Age of beneficiary in years:		
Under 65		4%
65–74		5%
75–79		6%
80–84		7%
85–89		9%
90–94		11%
95+		14%

<sup>13</sup> Prior to 1 July 2022, a monthly salary and wage threshold of \$450 applied, below which salary or wages did not count towards the SG. Subsection 27(2) of the SGAA was repealed with effect from 1 July 2022 by Schedule 1 to the [Treasury Laws Amendment \(Enhancing Superannuation Outcomes For Australians and Helping Australian Businesses Invest\) Act 2022](#).

<sup>14</sup> From 1 July 2026 Payday Super takes effect. This means the superannuation guarantee charge:

- is assessed by the ATO;
- is calculated based on qualifying earnings;
- includes interest that compounds daily at the general interest charge rate;
- includes an administrative uplift, which can vary based on an employer’s history of meeting superannuation guarantee obligations and may be reduced<sup>15</sup> by a voluntary disclosure; and
- is tax deductible.

<sup>15</sup> Section 15 and subsection 19(4) of the SGAA.

<sup>16</sup> Schedule 7 to the SISR.

Benefit payments	2025–26	2026–27
<b>Preservation age<sup>17</sup></b>	<b>Preservation age</b>	
Date of birth:		
Before 1 July 1960		55
1 July 1960 – 30 June 1961		56
1 July 1961 – 30 June 1962		57
1 July 1962 – 30 June 1963		58
1 July 1963 – 30 June 1964		59
From 1 July 1964		60
Low rate cap amount <sup>18</sup>	\$260,000	\$260,000
Untaxed plan cap amount <sup>19</sup>	\$1,865,000	\$1,935,000
Disregarded small fund assets (prohibited from using segregation rule for tax purposes) — where the TSB of the individual just before the start of the financial year exceeds: <sup>20</sup>	\$1,600,000	1,600,000

## Further guidance and information

Further guidance and information on superannuation rates and thresholds are available from the [ATO website](#).

If you have any specific concerns that have not been outlined above, please email [taxpolicy@taxinstitute.com.au](mailto:taxpolicy@taxinstitute.com.au).

<sup>17</sup> Regulation 6.01(1) of the SISR.

<sup>18</sup> Section 307-345 of the ITAA 1997. The low rate cap amount is the limit set on the amount of taxable components (taxed and untaxed elements) of a superannuation lump sum payment that can receive a lower (or nil) rate of tax. It applies to members who have reached their preservation age but are aged less than 60 years. It is a lifetime cap that is reduced by any amount previously applied to the low rate threshold.

<sup>19</sup> Section 307-350 of the ITAA 1997.

<sup>20</sup> Section 295-387 of the ITAA 1997.

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