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# First home super saver scheme

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The first home super saver (FHSS) scheme allows you to save money for your first home inside your super fund. This will help first home buyers save faster with the concessional tax treatment of superannuation.

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## About the FHSS scheme

From 1 July 2017, you can make voluntary concessional (before-tax) and voluntary non-concessional (after-tax) contributions into your super fund to save for your first home.

From 1 July 2018, you can then apply to release your voluntary contributions, along with associated earnings, to help you purchase your first home. You must meet the [eligibility requirements](#) to apply for the release of these amounts.

You can use this scheme if you are a first home buyer and both of the following apply:

- You will occupy the premises you buy, or intend to as soon as practicable.
- You intend to occupy the property for at least six months within the first 12 months you own it, after it is practical to move in.

You can currently apply to 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 FHSS scheme, up to a total of \$30,000 contributions across all years. You will also receive an amount of earnings that relate to those contributions.

From 1 July 2022, the amount of eligible contributions that can count towards your maximum releasable amount across all years will increase from \$30,000 to \$50,000. The amount of eligible contributions that can count towards your FHSS maximum releasable amount for each financial year will remain at \$15,000.

## Important things to know

There are a number of important things you need to know if you plan to use the FHSS scheme:

- [Contributions and determinations](#)
- [Release requests](#)
- [Other things to know](#)

### **Contributions and determinations**

- Superannuation guarantee contributions made by your employer, and spouse contributions cannot be released under the FHSS scheme.
- You must apply for and receive a FHSS determination from us before signing a contract for your first home or applying for release of your FHSS amounts.
- You need to make sure you correctly enter each of your eligible contributions into the FHSS determination form, do not total the contributions.
- If there is an error in your FHSS determination you can correct this by requesting another determination, provided you have not signed a contract or requested a release.
- If there is incorrect information in your FHSS determination and you later request a release based on that incorrect information, your request may be delayed. Your release may also be cancelled and this may affect your eligibility for the scheme.
- Limits apply to the eligible contributions that count towards your maximum releasable amount.
- You can currently apply to 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 FHSS scheme, up to a total of \$30,000 contributions across

all years. You will also receive an amount of earnings that relate to those contributions.

- The \$30,000 limit on eligible contributions will apply to requests for FHSS determinations made before 1 July 2022.
- From 1 July 2022, the amount of eligible contributions that can count towards your FHSS maximum releasable amount across all years will increase from \$30,000 to \$50,000. The amount of eligible contributions that can count towards this total for each financial year will remain at \$15,000.
- The \$50,000 limit on eligible contributions will only apply to requests for FHSS determinations made from 1 July 2022. The \$50,000 limit will not apply to FHSS determinations made prior to 1 July 2022.

## **Release requests**

- You can only request a release under the FHSS scheme once.
- It may take between 15 and 25 business days for you to receive your money. You should consider this timing when you start your home buying activities.
- You can make your release request within 14 days of signing a property contract. However, you must have a FHSS determination before you sign any property contract.
- If you request a FHSS determination before 1 July 2022 and make a FHSS release request in relation to that determination, you cannot make any further requests under the FHSS scheme to receive the difference between the \$30,000 and \$50,000 limits.

## **Other things to know**

- The home you purchase or construct must be located in Australia.
- You can also sign your contract to purchase your property after you make a valid release request.
- If you have an outstanding debt with the ATO or another Commonwealth agency, your FHSS release amount may be offset against this debt. Payment of your FHSS amount could be delayed or reduced (including to nil) or both if you have an outstanding Commonwealth debt.
- You have 12 months from the date you make a valid release request to notify us if you have signed a contract to purchase or construct your home, or recontributed the required amount to your super fund (see information below).

# Who is eligible to request a FHSS determination

You must be 18 years old or older to request a FHSS determination or a release of amounts under the FHSS scheme. However, you can make eligible contributions before you are 18 years of age.

Also, you must have:

- never owned property in Australia – this includes an investment property, vacant land, commercial property, a lease of land in Australia, or a company title interest in land in Australia (unless the Commissioner of Taxation determines that you have suffered a financial hardship)
- not previously made a FHSS release request under the FHSS scheme.

Eligibility is assessed on an individual basis. This means that couples, siblings or friends can each access their own eligible FHSS contributions to purchase the same property. If any of you have previously owned a home, it will not stop anyone else who is eligible from applying.

## Find out more

- [Financial hardship provision](#)
- [Eligible contributions](#)
- [Ineligible contributions](#)

## Financial hardship provision

You may still be eligible even if you have previously owned property in Australia, if we determine that you have suffered a financial hardship that resulted in a loss of ownership of all property interests.

The types of events that could result in the loss of property interests include:

- bankruptcy
- divorce, separation from a de-facto partner, or a relationship breakdown
- loss of employment
- illness
- being affected by a natural disaster.

How to apply for financial hardship

If you want to be considered under the financial hardship provision you can apply by either:

- logging into ATO online services through myGov (<https://my.gov.au/LoginServices/main/login?execution=e1s1>). , ,
  - go to the **Super** drop-down menu and select **Manage**, then select **First home – saver**
  - answer the first three questions in the FHSS determination, click link to submit a – hardship application form
- by completing a First home super saver scheme – hardship application form (</Forms/First-home-super-saver-scheme-hardship-application-form/>).

You should apply before you start saving, so that we can determine if the hardship provision applies to you.

You must provide evidence with your application that demonstrates the link between the loss of your property and your hardship event.

If we accept that you have suffered a financial hardship, you must also meet the following **at the time** you lodge your *First home super saver scheme – determination form*:

- you must not have acquired a subsequent interest in real property in Australia since you lost the property as a result of financial hardship
- you must be 18 years old or older
- you must not have previously made a FHSS release request under the FHSS scheme.

## Eligible contributions

You can make the following types of contributions towards the FHSS scheme:

- voluntary concessional contributions – including salary sacrifice amounts or contributions for which a tax deduction has been claimed or you intend to claim, these are usually taxed at 15% in your fund
- voluntary non-concessional contributions that you have made – including personal after-tax contributions where a tax deduction has not been claimed.

You can contribute up to your existing super [contribution caps](/Rates/Key-superannuation-rates-and-thresholds/?page=2#Contributions_caps) ([/Rates/Key-superannuation-rates-and-thresholds/?page=2#Contributions\\_caps](/Rates/Key-superannuation-rates-and-thresholds/?page=2#Contributions_caps)). Having amounts released under the FHSS scheme does not affect the calculation of your concessional or non-concessional contributions for contributions cap purposes. Your contributions still count towards your contribution caps for the year they were originally made.

There are limits on the amount of eligible contributions that can count towards your maximum releasable amount.

Certain KiwiSaver and other foreign fund transfer amounts are eligible contributions for calculating your FHSS maximum release amounts. For more information, see [GN 2018/1](/law/view/document?DocID=GDN/GDN20181/NAT/ATO/00001&PiT=99991231235958) (</law/view/document?DocID=GDN/GDN20181/NAT/ATO/00001&PiT=99991231235958>). *First home super saver scheme*.

An eligible KiwiSaver amount must be included as a personal voluntary (after tax) contribution in your request for a FHSS determination with the date it was credited to your Australian super fund account. You cannot split this contribution over different financial years.

## **Ineligible contributions**

The following contributions are not eligible and must not be included in your FHSS determination:

- super guarantee (SG) contributions made by your employer
- mandated employer or member contributions made for you under an award or industrial agreement
- member contributions made for you by your spouse, parent or other friends or family
- amounts you receive under a contributions-splitting arrangement
- government co-contributions
- contributions under a structured settlement or personal injury order
- amounts contributed to super as part of the small business CGT concessions
- amounts transferred from a KiwiSaver scheme that are Australian-sourced amounts or returning New Zealand-sourced amounts
- [applicable fund earnings](/Individuals/Coming-to-Australia-or-going-overseas/In-detail/Super/Tax-treatment-of-transfers-from-foreign-super-funds/?page=2#Applicable_fund_earnings) ([/Individuals/Coming-to-Australia-or-going-overseas/In-detail/Super/Tax-treatment-of-transfers-from-foreign-super-funds/?page=2#Applicable\\_fund\\_earnings](/Individuals/Coming-to-Australia-or-going-overseas/In-detail/Super/Tax-treatment-of-transfers-from-foreign-super-funds/?page=2#Applicable_fund_earnings)), from a foreign fund transfer that you elect to include in the receiving fund's assessable income

- contributions to a defined benefit interest or constitutionally protected fund, or contributions that are required to be made under a law of a state or territory, or the rules of a fund are also excluded from being eligible
- excess concessional or non-concessional contributions are not eligible even if they otherwise would have been.

If there are any of these amounts in your request for a FHSS determination, your request may be delayed. Your release may also be cancelled.

## How you can save in super

You can start saving by entering into a salary sacrifice arrangement with your employer to make voluntary contributions or by making voluntary personal super contributions. ([/individuals/super/growing-your-super/adding-to-your-super/](#)).

You can contribute into any super fund(s) although contributions made to a defined benefit interest or a constitutionally protected fund will not be eligible to be released under the FHSS scheme.

**Note:** Some employers may not offer salary sacrifice arrangements to their employees.

Before you start saving you should:

- check that your nominated super fund(s) will release the money
- ask your fund about any fees, charges and insurance implications that may apply
- check that your super fund has your current contact details – ensure your name matches what we have
- be aware that if you receive FHSS amounts, it will affect your tax for the year in which you make the request to release. You will receive a payment summary and you will need to include both the assessable and tax-withheld amounts in your tax return.

If you want to be considered under the financial hardship provision, then you should ask us to determine if the financial hardship provision applies to you before you start saving.

## Find out more

- [Making your contributions](#)
- [How your contributions are ordered](#)

## **Making your contributions**

When you make voluntary contributions into super, the order and type of the contributions can make a difference to the amount released under the FHSS scheme.

You can withdraw, taking into account the yearly and total limits:

- 100% of your non-concessional (after-tax) amounts
- 85% of concessional (pre-tax) amounts.

There are rules about which contributions will be included in your release amount, based on when the contribution was made and whether it is concessional or non-concessional.

These 'ordering rules' are designed to maximise the amount available to you for release, without requiring you to make specific elections about which contributions should be eligible. They also have a flow-on effect on the calculation of associated earnings and the taxation of released amounts.

Remember that limits apply to the eligible contributions that count towards your FHSS maximum releasable amount. You can include a maximum of \$15,000 of your eligible contributions from any one financial year in your total contributions to be released under the FHSS scheme, up to a total of \$30,000 across all years.

From 1 July 2022, the amount of contributions that can count towards your FHSS maximum releasable amount across all years will increase from \$30,000 to \$50,000.

You will also receive an amount of earnings that relate to those eligible contributions.

## **How your contributions are ordered**

We will apply ordering rules when you apply for a FHSS determination to calculate your FHSS maximum release amount. You don't have to do the calculations yourself.

Your contributions are counted towards your release amounts as follows:

- A first-in first-out rule applies – this means that contributions you make in an earlier financial year are counted before contributions in a later financial year. Contributions you make within a financial year are counted in the order you make them.
- A simultaneous contributions rule applies – this means that if you make an eligible concessional contribution and an eligible non-concessional contribution at the



same time (for example, in the same payroll process), your non-concessional contributions are taken to be made first.

- If you make your contributions within a financial year and you claim a deduction for some or all of the contributions, the resulting eligible non-concessional contributions (if any) are taken to be made before any eligible concessional contribution.

## Applying to release your super savings

You can check your balance with your super fund(s) at any time to see how much you have saved. This will help you keep track of the maximum FHSS amounts you can have released.

When you are ready to receive your FHSS amounts, you need to apply to us for a [FHSS determination](#) and a [release](#).

You must have a FHSS determination before you sign a contract to purchase any property that results in you obtaining an interest in that property. This includes contracts to purchase vacant land. In most cases, once you sign a contract to purchase any property you are no longer eligible to request a FHSS determination. For more information refer to [GN 2018/1 \(/law/view/document?DocID=GDN/GDN20181/NAT/ATO/00001&PiT=99991231235958\)](#).

You can sign your contract to purchase or construct your home either:

- from the date you make a valid request to release your FHSS amounts
- before making a valid request to release your FHSS amounts.

If you sign your contract to purchase or construct your home **before** making a valid request to release FHSS amounts, you'll need to:

- have a FHSS determination before you sign
- make a valid release request within 14 days of entering that contract.

If you have received a FHSS determination and then sign a property contract, you must request a release within 14 days of signing the contract if you have not already done so.

### Find out more

- [Maximum release amount](#)

- Requesting a determination
- Requesting the release of your super savings
- Receiving your amount
- Completing your tax return

## Maximum release amount

The FHSS maximum release amount is the sum of your eligible contributions, taking into account the yearly and total limits, and associated earnings. This amount includes:

- 100% of eligible non-concessional contributions
- 85% of eligible concessional contributions
- associated earnings calculated on these contributions using a deemed rate of return – this is based on the 90-day Bank Bill rate plus three percentage points (shortfall interest charge rate (/rates/shortfall-interest-charge-(sic)-rates/)).

The FHSS maximum release amount takes into account the \$15,000 limit from any one year and \$30,000 total limit to the total contributions across all years when calculating the eligible contributions, before adding the associated earnings. From 1 July 2022, the maximum release amount will take into account the new \$50,000 limit to the total contributions across all years.

## Requesting a determination

To withdraw your voluntary super contributions under the FHSS scheme, you need to request a FHSS determination from us:

- log into ATO online services through myGov (<https://my.gov.au/LoginServices/main/login?execution=e1s1>).
- go to the **Super** drop-down menu and select **Manage**, then select **First home saver**

When you apply for a FHSS determination we will tell you your maximum FHSS release amount.

You must:

- only include eligible contributions in your request for a FHSS determination
- use the date the contribution was received by your super fund

- use your super statement or super fund transaction list to confirm the dates, amounts and contribution type
- not use your payslips to complete your request for a FHSS determination

We will check if the contributions in your request for a FHSS determination matches contribution details reported to us by your super fund. You may be required to provide evidence of your contributions prior to us releasing your FHSS amounts to you.

You will also need to include the year and amount of any super tax deductions you have or intend to claim in your tax returns.

Your FHSS request may be delayed or cancelled if you provide incorrect information, and you may not be able to apply under the FHSS scheme in the future.

You can request a determination on more than one occasion but can only request a release once.

**Note:** Once you sign a contract for any property resulting in you obtaining an interest in property, including land, you are not eligible to request a FHSS determination.

Once you have a FHSS determination you can then decide to apply for a release of your amounts if you are ready to purchase your home. Be aware that you:

- can only apply for a release once
- must confirm as part of your release application that you will not claim further tax deductions on the non-concessional contributions included in the determination.

## **Requesting the release of your super savings**

Before you request a release of your savings, you should:

- check that you have made all of the voluntary FHSS contributions you want to make
- ensure that the information you have provided in your request for a FHSS determination is correct, otherwise your release may be delayed – your release may also be cancelled and you may not be able to apply for a release under the FHSS scheme in the future
- resolve any issues with your FHSS determination before you request a release.
- agree with the amounts shown in your FHSS determination – for example, if you did not include all of your eligible contributions you can request a new determination, but only if you have not signed a contract to purchase property

- [object \(/general/dispute-or-object-to-an-ato-decision/object-to-an-ato-decision/decisions-you-can-object-to-and-time-limits/\)](/general/dispute-or-object-to-an-ato-decision/object-to-an-ato-decision/decisions-you-can-object-to-and-time-limits/), against the FHSS determination if you believe your FHSS determination is incorrect due to our error. Refer to [How to object to a decision \(/General/Dispute-or-object-to-an-ATO-decision/Object-to-an-ATO-decision/How-to-object-to-a-decision/\)](/General/Dispute-or-object-to-an-ATO-decision/Object-to-an-ATO-decision/How-to-object-to-a-decision/).

You can request a release of the FHSS maximum release amount stated in your FHSS determination or choose a lower amount:

- Apply online by logging into ATO online services through [myGov](https://my.gov.au/LoginServices/main/login?execution=e1s1) (<https://my.gov.au/LoginServices/main/login?execution=e1s1>).
- go to the **Super** drop-down menu and select **Manage**, then select **First home saver**

If you have signed your contract more than 14 days before you request the release of your FHSS amounts, then you will be subject to FHSS tax.

Once you have requested a release you can't request another one, even if you have requested an amount less than your FHSS maximum release amount.

## Receiving your amount

After you have made a valid release request, we will issue a release authority to your super fund(s) requesting they send your FHSS release amounts to us.

Before we send the balance of the released amount to you, we will:

- withhold the appropriate amount of tax
- offset the remaining amount against any outstanding Commonwealth debts.

In most cases, it will take between 15 and 25 business days for your fund to release your money and for us to pay it to you.

A payment summary will be sent to you at the end of the financial year. It will show your assessable FHSS released amount, which is comprised of:

- concessional contributions
- associated earnings on both concessional and non-concessional contributions.

You need to include this amount in your tax return for the financial year you request the release. The tax payable on this assessable amount will receive a 30% tax offset.

## Withholding tax

When we receive your released amounts, we will withhold tax that will be calculated at either:

- your expected marginal tax rate, including Medicare levy, less a 30% offset
- 17% if the Commissioner is unable to estimate your expected marginal rate.

The amount of tax withheld is calculated on your assessable FHSS released amounts and will help you meet your end of year tax liabilities. When you lodge your tax return, we will know your actual marginal tax rate for the year that you requested the release and will recalculate your tax liability on the released amount. We will take into account the tax that has already been withheld in respect of your assessable FHSS released amount, together with the 30% tax offset.

Your payment summary will show the amount of tax withheld.

## Completing your tax return

You must include the assessable FHSS released amount shown on your payment summary as assessable income in your tax return for the year you request the release. You will also need to include the tax withheld amount so you pay the correct amount of tax.

For example, if you request a release of FHSS amounts on 30 June 2021, include the amount in your 2020–21 tax return. This is even though you won't receive the released amount until July 2021.

We will only issue your payment summary once all your FHSS amounts have been paid to you. This could be several weeks after the end of the financial year.

## Family tax benefit and child support

Your assessable FHSS released amount is **not** included in your assessable income for calculating family assistance and child support payments. These amounts were included in prior years, so this will prevent double counting.

## Study and training support loans

If you make salary sacrifice contributions into super, they will be a reportable employer super contribution in that income year. These contributions continue to be included in your repayment income for study and training support loans and the repayment of these [loans \(/Individuals/Study-and-training-support-loans/Types-of-loans/\)](#).

You will need to review your pay as you go (PAYG) withholding arrangements with your employer. This will help make sure the tax they withhold from your salary, wages and other income during the year is enough to cover the amount you are liable to pay.

When you withdraw contributions under the FHSS scheme they will not be part of your repayment income in the year you request the withdrawal of your super contributions under the FHSS scheme.

Study and training support loans can include:

- Higher Education Loan Program (HELP)
- Student Start-up Loan (SSL) and ABSTUDY SSL schemes
- Trade Support Loans (TSL) program
- Student Financial Supplement Scheme (SFSS).

## FHSS scheme and other state government concessions

The FHSS scheme is separate to other concessions offered by state governments.

If you want to access state government concessions as a first home buyer then you will need to check with the relevant state government authority to confirm that you meet the eligibility criteria for each concession.

## After your FHSS amounts have been released

Once your savings have been released, you have up to 12 months (or other period allowed) from the date you requested the release of FHSS amounts to sign a contract to purchase or construct a home.

The contract you enter into has to be for a residential premises located in Australia. It cannot be any of the following types of property:

- any premises not capable of being occupied as a residence
- a houseboat
- a motor home
- vacant land (see [note](#)).

**Note:** If you purchase vacant land to build a home on, it is the contract to construct your home that must be entered into to meet the FHSS scheme requirements. The contract to construct that home must be entered into within 12 months (or other period allowed) from the date you requested a release. In this situation you must not have purchased the vacant land before applying for a FHSS determination.

You must genuinely intend to occupy the property as a home, and demonstrate this by:

- occupying or intending to occupy the property as soon as practicable after purchase
- occupying or intending to occupy the property for at least six of the first 12 months from when it is practicable to occupy it.

If you do not sign a contract to purchase or construct a home within 12 months from the date you requested a release:

- we will grant you an extension of time to do so for a further 12 months. There is no need to apply for this extension, it will be automatically granted to you and we will notify you of this, or
- you can recontribute an amount into your super fund(s). This amount must be a non-concessional contribution and be at least equal to your assessable FHSS released amount, less any tax withheld. This amount is stated in your payment summary, and may be less than the total amounts released to you, or
- you can keep the released amount and be subject to FHSS tax. This is a flat tax equal to 20% of your assessable FHSS released amounts and not the total amount released.

## Notification requirements

If you sign a contract to purchase or construct your home you must notify us within 28 days of signing the contract.

If you recontribute the assessable FHSS amount (less tax withheld) into your super fund, you must notify us within 12 months of the date you request the release of your FHSS money.

If you don't notify us that you have done one of the above or you choose to keep the FHSS amount, you may be subject to the FHSS tax:

- you can notify us by logging into ATO online services through myGov (<https://my.gov.au/LoginServices/main/login?execution=e1s1>).
- go to the **Super** drop-down menu and select **Manage**, then select **First home saver**

For more information about the FHSS scheme refer to [GN 2018/1](#)  
[\(/law/view/document?](#)  
[DocID=GDN/GDN20181/NAT/ATO/00001&PiT=99991231235958\).](#)

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## **Our commitment to you**

We are committed to providing you with accurate, consistent and clear information to help you understand your rights and entitlements and meet your obligations.

If you follow our information and it turns out to be incorrect, or it is misleading and you make a mistake as a result, we will take that into account when determining what action, if any, we should take.

Some of the information on this website applies to a specific financial year. This is clearly marked. Make sure you have the information for the right year before making decisions based on that information.

If you feel that our information does not fully cover your circumstances, or you are unsure how it applies to you, contact us or seek professional advice.

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