

First Home Super Saver Scheme – how does it work?

From 1 July 2022, if you're a first home buyer you can release up to \$50,000 (up from \$30,000) from your voluntary super contributions to help you buy your first home. Under the scheme, voluntary concessional and non concessional contributions made on or after 1 July 2017 may be released from super to help you purchase your first home.

Prior to 1 July 2022, the scheme allows the release up to \$15,000 of voluntary contributions from any one financial year, up to a total of \$30,000 in contributions across all financial years, plus earnings on those voluntary contributions. Under the new rules, from 1 July 2022, you will be able to release up to \$15,000 of voluntary contributions from any one financial year, up to a total of \$50,000 contributions across all financial years, plus earnings.

To be eligible to participate in the FHSS scheme an individual must:

- be 18 or over
- have never owned property in Australia
- not previously requested a release of super money under the FHSS scheme.

The FHSS scheme can only be used to buy a residential home in Australia however it cannot be used to buy a mobile home. If vacant land is purchased, a contract to build a home on it must be signed within 12 months although a 12-month automatic extension will be granted. You must also intend to live in the home, the scheme can't be used to buy a residential investment property.

There are certain details around the withdrawal amount, associated earnings, tax on withdrawal and the release of the funds. To discuss your options, speak to a financial adviser.