

The information in this document forms part of the NGS Super Member Guide (Product Disclosure Statement) dated 1 March 2012.

Contributions splitting

Fact sheet 4
1 March 2012

You can choose to split your contributions with your spouse or partner, allowing the flexibility to plan your retirement based on you and your spouse's personal financial situation.

What is contribution splitting?

Contribution splitting allows you to split certain super contributions paid to your account and transfer them to your spouse's super, or your spouse can split contributions to your super. There are a number of reasons why people choose to split their contributions including:

- you and your spouse both wish to retire between the ages of 55 and 59, and you want to maximise your tax-free benefits
- your spouse is older than you, and may be able to access super benefits earlier than you, or
- your spouse is younger than you, and transferring your contributions to them will enable you to qualify for a higher Age Pension under the Centrelink/Department of Veterans' Affairs asset test.

It is important to know that split contributions remain preserved until the receiving spouse's preservation age.

How does contributions splitting work?

Contribution splitting applies in relation to contributions made to your account in a financial year. Over the course of a financial year, contributions are made to your super. If you decide that you would like to split those contributions, you can make an application to NGS Super. Applications can be made in a current financial year to split contributions made to your account in the previous financial year. So, if you made contributions between 1 July 2010 and 30 June 2011, you need to make your application for a split by 30 June 2012 (i.e. the end of the 2011/12 financial year).

Who can split super contributions?

If you're an NGS Super member, you can split your super contributions with your spouse if they either belong to NGS Super (NGS Super offers spouse membership) or another fund.

There is a legal definition of 'spouse' which refers to either:

- a person with whom you are in a relationship that is registered under certain state or territory laws (this includes marriages and registered same-sex relationships)
- a person of the same or of a different sex, who lives with you on a genuine domestic basis in a relationship as a couple (known as a de-facto spouse).

In this fact sheet (and other communications published by NGS Super about splitting your contributions or making spouse contributions), the applicant's spouse is called the 'receiving spouse'.

If I rollover my super to another fund, can I split the benefit with my spouse at the same time?

If you or your employer make super contributions to NGS Super and you roll these over to another fund, you will not be able to split these contributions with your spouse after they have been rolled over.

Is there a time limit on applying to split contributions?

If you want to split your contributions, your application must be received by NGS Super by the end of the financial year after which the contributions were made. For example, if you made contributions between 1 July 2010 and 30 June 2011, your application for a split must be made by 30 June 2012.

Splitting is not available to you if your entire benefit is rolled over or transferred out of the Fund in the current financial year.

Can all superannuation contributions be split?

Only before-tax contributions can be split – you cannot split after-tax contributions. The table below shows the types of before-tax contributions, made in the previous financial year that can be split in the current financial year:

Before-tax (concessional) Contributions	Timing of contribution	Maximum amount available for splitting
Employer	Between 1 July 2010 and 30 June 2011	The maximum applies to the sum of all employer and salary sacrifice contributions and is determined as the lesser of 85% of those contributions and 85% of \$25,000 (or \$50,000 if aged over 50).
Salary sacrifice	as above	as above

Cost and rules on the amount that can be split

The minimum amount that may be split, in any financial year, is \$3,000.

A contribution splitting fee of \$30 applies to each application for a split that you make.

If you're requesting a split, your account balance after the split cannot be less than \$5,000.

You can request one split each year, however you can't specify which investment option you'd like the amount being split to be drawn down from. The amount being split will be drawn down from your existing investment account balances on a proportional basis. That is, from all of the investment options you've chosen in proportion to how your account balance is spread between them.

What amount can't be split?

Generally, you can't split any of the following amounts:

- after-tax (non-concessional) contributions
- any defined benefit contributions
- amounts rolled over from another fund
- benefits which may be subject to Family Law conditions
- any contributions if your spouse is over age 65 or has retired
- your account balance at 1 July 2008.

Action point

To apply to split your contributions, complete an *NGS Super Contribution Splitting Form*, which is available on the NGS Super website at www.ngssuper.com.au (select Super members > Forms and publications) or by calling the NGS Super Customer Service Team on **1300 133 177**.

When completing the form you need to:

- specify the type and amount of contributions you want to split, and
- declare that, at the time of the application, your receiving spouse:
 - has not reached age 55, or
 - is between age 55 and age 65, but not retired.

If you change your mind about the split, please contact NGS Super. Please note that if your application to split contributions has already been processed, you won't be able to request a reversal of the split amount that has been transferred.

Can I claim a tax offset for eligible spouse contributions?

You won't be able to claim the spouse contributions tax offset for contributions split into a receiving spouse's account, as the amount is treated as a rollover, not a contribution. If you intend to claim a tax offset for eligible spouse contributions, those contributions must be made separately as an after-tax amount and paid directly to your spouse's super account.

When will we be able to access the split contributions?

Split contributions are preserved until your receiving spouse's preservation age and retirement. It's possible that this will be earlier or later than if the contributions had remained in your account. Preservation age is based on your date of birth, as detailed in the following table.

Your date of birth	Preservation age
Before 1 July 1960	55
Between 1 July 1960 and 30 June 1961	56
Between 1 July 1961 and 30 June 1962	57
Between 1 July 1962 and 30 June 1963	58
Between 1 July 1963 and 30 June 1964	59
After 30 June 1964	60

Further information

If you are thinking about splitting contributions with your spouse or partner, you should consider obtaining advice from a licensed financial adviser to understand how this works for your personal situation. NGS Super offers a financial planning service. To make an appointment or to speak with a planner, call **1300 133 177**.

We also have representatives who can provide you with general advice and explain the options available through NGS Super.

Contact us

Our website is your one-stop shop for information about NGS Super.

You can also contact us via the **contact us** page at www.ngssuper.com.au or call our Customer Service Team on **1300 133 177** between 8.00am and 8.00pm (AEST or AEDT), Monday to Friday.

Important information

This factsheet provides key information for Industry and Personal members of NGS Super. You should consider all the information contained in the Member Guide (Product Disclosure Statement) and incorporated Fact Sheets dated 1 March 2012 before making a decision about investing in NGS Super.

The information provided in this fact sheet is general information only and does not take into account your objectives, financial situation or needs. Before making a financial decision, please assess the appropriateness of the information to your individual circumstances and consider seeking professional advice.

The NGS Financial Planning Service is offered to members of NGS Super (ABN 73 549 180 515) through an arrangement with Mercer Financial Advice (Australia) Pty Ltd (MFA) (ABN 76 153 168 293) which holds an Australian Financial Services Licence No. 411766.