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The educated choice



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

Spouse contributions

Fact sheet 3
1 March 2012

Making contributions on behalf of your spouse can be beneficial for your combined retirement savings. You may also build your spouse's super savings by splitting your own contributions with them.

Of course, how you structure your super as a couple will depend on your personal circumstances, your combined income and what you have in mind for when you retire.

Spouse contributions

As a member of NGS Super, you can also establish a member account in the Fund for your spouse. You can then make contributions on behalf of your spouse to this account. These contributions are known as spouse contributions. Spouse contributions must be made from your after-tax income and paid to the Fund by cheque.

You can make contributions on behalf of your spouse if:

- they are aged 65 or younger or
- they are between the ages of 65 and 70, on the condition that they have worked at least 40 hours over 30 consecutive days in the financial year in which the contribution is made.

Once your spouse turns 70, you can no longer make contributions on their behalf.

If you make contributions for your spouse, you may also be eligible to claim a tax offset on these contributions, depending on your spouse's income. The maximum annual tax offset is 18% of a maximum of \$3,000 in spouse contributions (i.e. a maximum of \$540), if the sum of your spouse's assessable income and total reportable fringe benefits is less than \$10,800. As your spouse's income increases to \$13,800 (for tax purposes), the tax offset amount reduces until it ceases (i.e. once income reaches \$13,800). The worked example on page 2 shows how this works in practice.

Some terms explained

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

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

If you're after more information about how the Australian Taxation Office (ATO) defines this relationship and the eligibility conditions for the spouse super tax offset, contact the ATO on **13 10 20** or refer to the ATO website www.ato.gov.au/super.

An example: How does making a spouse contribution work in practice?

To get an understanding of how spouse contributions work in practice, let's take a look at Dave's example:

Dave has a salary of \$70,000 per year (before any deductions, including tax). Dave would like to make a contribution into his spouse's superannuation account so they can benefit from the spouse contribution tax offset.

Dave's current situation	
Gross salary income	\$70,000
Less income tax	\$15,600*
Net disposable income	\$54,400

\$3,000 (after-tax) contribution for a non-working spouse

If Dave contributes \$3,000[†] after tax into his spouse's super account, he is eligible to receive a \$540 tax offset.

\$3,000 after-tax contribution for non-working spouse	
Gross salary income	\$70,000
Less income tax	\$15,060*
Net disposable income	\$54,940
(After-tax) contribution	\$ 3,000
Net income	\$51,940

\$3,000 (after-tax) contribution for a spouse with assessable income of \$12,000

If Dave contributes \$3,000[†] after-tax into his spouse's super account, he is eligible to receive a \$324 tax offset.

\$3,000 after-tax contribution for spouse earning \$12,000	
Gross salary income	\$70,000
Less income tax	\$15,276*
Net disposable income	\$54,724
(After-tax) contribution	\$ 3,000
Net income	\$51,724

* Based on current marginal tax rates and 1.5% Medicare levy.

[†] No investment earning assumptions have been made in relation to the calculation of this contribution.

Further information

If you are thinking about making contributions for your spouse, 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 the Customer Service Team on **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.

Contributions splitting

You can also choose to have some of your super contributions transferred to your spouse's super account, if they are under age 65 and not retired. Your spouse must also be eligible to receive these contributions, either in the same fund or another fund. As an NGS Super member, you can split up to 85% of employer and salary sacrifice contributions, subject to certain limits. Keep in mind that a contribution splitting fee of \$30 applies.

Further information on contributions splitting can be found in the **Contributions splitting fact sheet** which is available from the NGS Super website at www.ngssuper.com.au. You can request a copy by calling **1300 133 177**.