

Split super contributions with your spouse

Make super work for the two of you

Fact Sheet

November 2023

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

What is contributions splitting?

Contributions 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 and transfer contributions to your super. There are a number of reasons why you might choose to split contributions, including:

- you and your spouse were born prior to 1 July 1964 (refer to the preservation table on page 3), both wish to retire before age 60 and you want to minimise any potential income tax from your *NGS Transition to retirement* or *NGS Income account* prior to reaching age 60
- your spouse is older than you and may be able to access super benefits earlier than you
- 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
- equalising accumulation account balances between you and your spouse
- if you or your spouse is close to your *personal transfer balance cap*,¹ splitting contributions could help to maximise the combined amount of super that is moved into the retirement phase.

It is important to know that split contributions remain preserved until the receiving spouse's preservation age (see details on page 3).

How does contributions splitting work?

Contributions splitting applies in relation to concessional contributions made to your account in a financial year. If you decide that you would like to split those contributions, you can make an application to us. Applications can be made in a current financial year to split contributions made to your account during the previous financial year.

¹ This is the limit on the total amount of super that you and your spouse can each transfer into the retirement phase and is up to \$1.9 million each for the 2023-24 financial year. Your personal transfer balance cap will be lower than this if you have made a prior transfer into the retirement phase. You and your spouse can view your personal transfer balance caps through your Australian Taxation Office (ATO) linked accounts by logging into your myGov account at my.gov.au

Some things are best done together

Who can split super contributions?

If you're an *NGS Accumulation account* member, you can split certain super contributions with your spouse.

The definition of 'spouse' includes a person (of any sex):

- you are legally married to
- you are in a relationship with that is registered under certain state or territory laws
- 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 us about splitting your contributions or making spouse contributions), the applicant's spouse is called the receiving spouse.

Can all super contributions be split?

Only concessional (before-tax) contributions can be split — you cannot split after-tax contributions. The table below shows the types of before-tax contributions that can be split.

Concessional contributions	Timing of contribution	Maximum amount available for splitting
<ul style="list-style-type: none"> • employer • salary sacrifice • deductible personal contributions² 	Contributions you split must be from the previous financial year, unless you are planning to close your <i>NGS Accumulation account</i> , in which case you can also split in the current financial year.	<p>The maximum applies to the sum of all concessional contributions received during the split period and is the lesser of 85%³ of:</p> <ul style="list-style-type: none"> • those contributions and • the concessional contributions cap available to you. <p>The current general concessional contributions limit is \$27,500 per year.</p> <p>You may be able to carry forward any unused concessional contributions cap from previous financial years to increase your concessional contributions cap for the current financial year. More information is contained on the following page.</p>

² Deductible personal contributions are contributions you have made to your *NGS Accumulation account* for which you are eligible to claim a tax deduction. You must first provide us with the **Notice of intent to claim a deduction form** before splitting contributions with your spouse.

You are able to claim a deduction for any personal contributions you make to your super each year:

- until you turn 67 regardless of your employment arrangement
- if you are under 18 as long as you have earned income as an employee or a business operator
- if you have reached age 67 but are under age 75, as long as you meet the work test (you must work 40 hours in 30 consecutive days within the financial year). However, if your total super balance at the previous 30 June is less than \$300,000, you will be exempt from this work test for 12 months from the end of the financial year in which you last met the work test. This exemption applies once only.

³ Reflecting 15% contributions tax.

Carry forward any unused concessional contributions cap

You may be able to carry forward any unused amount of your concessional contributions cap if you:

- have a total super balance⁴ of less than \$500,000 on 30 June of the previous financial year and
- are eligible to make concessional contributions.

The first year you were able to access a higher concessional contributions cap (taking advantage of your unused portion for the previous year) was 2019–20.

If you take advantage of the carry-forward rule, an increased concessional contributions cap will be used to determine the maximum splittable amount.

More information on the carryforward rule can be found in our fact sheets **Salary sacrifice and save** and **Opportunities and limits for super contributions** available at ngssuper.com.au/factsheets

Your personal total super balance⁴ and concessional contributions cap can be found by logging in to my.gov.au and going to the Super section within the Australian Taxation Office (ATO) linked service.

NGS rules on the amount that can be split

If you're requesting a split, your account balance after the split cannot be less than \$10,000.

You can request one split each year. If you have more than one investment option, the amount split will be drawn down proportionally from each investment option in your account.

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 that may be subject to family law conditions any contributions if your spouse:
 - is aged 65 or over or
 - has reached preservation age (see table below) and has retired from the workforce
- your full account balance
- amounts that you wish to receive as a first home super saver payment.

A more extensive list can be found on the ATO website at ato.gov.au

Is there a time limit on applying to split contributions?

If you want to split your contributions, your application must be received by us:

- by the end of the financial year **after** the contributions were made — for example, if you want to split contributions made between 1 July 2023 and 30 June 2024, your application for a split must be made by 30 June 2025.

or

- if you are withdrawing your entire benefit from your *NGS Accumulation account* (e.g. as a rollover or lump sum benefit), in the financial year your contributions were made but before you make the full withdrawal.

Please note, if you roll contributions over to another fund, you will not be able to split these contributions with your spouse after the transfer.

When can the receiving spouse access split contributions?

Split contributions are generally preserved until your receiving spouse has:

- permanently retired after reaching preservation age
- terminated a gainful employment⁵ arrangement (even if not permanently retired) after age 60 or
- reached age 65.

It's possible that this will be earlier or later than if the contributions had remained in your account.

Preservation age

Your preservation age depends on your date of birth. If you were born before 1 July 1963 then you have already reached your preservation age.

Date of birth	Preservation age
Between 1 July 1963 and 30 June 1964	59
After 30 June 1964	60

⁴ Your total super balance is generally the total value of your super interests in both accumulation phase and retirement phase at the end of the previous financial year, noting that:

- for accumulation phase, this is generally the withdrawal value at 30 June
- for the retirement phase, this is the balance of your transfer balance account which is managed by the ATO.

You can view your total super balance through your Australian Taxation Office (ATO) linked account by logging into your myGov account at my.gov.au

⁵ Gainfully employed means employed or self-employed for gain or reward in any business, trade, profession, vocation, calling, occupation or employment.

Can I claim the spouse contributions tax offset for split 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, you'll need to make a 'spouse contribution' separately as an after-tax amount paid directly to your spouse's super account.

For further information on spouse contributions, please read our fact sheet **Make spouse contributions work for you** available at ngssuper.com.au/PDS

How to apply to split your contributions

To apply to split your contributions, complete our **Contribution splitting form** at ngssuper.com.au/forms or call us on **1300 133 177**.

When completing the form, you need to:

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

If you change your mind about splitting, please contact us as early as possible. 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.

More information?

Contact us

You can contact us at ngssuper.com.au/contact-us or call us on **1300 133 177** Monday to Friday, 8am–8pm (AEST/AEDT).

Fax: **(03) 9245 5827**

Postal address:
**GPO Box 4303
MELBOURNE VIC 3001**

Need help?

If you are thinking about splitting your super contributions with your spouse, consider obtaining professional advice for your personal situation.

We offer single-issue advice limited to your NGS Super account at no cost over the phone through our Financial Advice Helpline.

We also offer low-cost tailored advice through NGS Financial Planning. To make an appointment phone us on **1300 133 177** or complete the **Financial advice enquiry form** at ngssuper.com.au/advice

Important information

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.

NGS Financial Planning Pty Ltd, ABN 89 134 620 518, is a corporate authorised representative #394909 of Guideway Financial Services Pty Ltd, ABN 46 156 498 538, AFSL #420367 and offers financial planning services on behalf of NGS Super ABN 73 549 180 515.