

SPLIT SUPER CONTRIBUTIONS WITH YOUR SPOUSE

*Make super work
for the two of you*

FACT SHEET 4

1 JUNE 2017

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 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 56¹ 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?

Contributions splitting applies in relation to certain before-tax 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 during the previous financial year. For example, if you want to split contributions made between 1 July 2015 and 30 June 2016, you need to make your application for a split by 30 June 2017 (i.e. the end of the 2016/17 financial year).

¹ If you were born between 1 July 1961 and 30 June 1962, your preservation age will be 57.

SOME THINGS ARE BEST DONE TOGETHER

Who can split super contributions?

If you're an NGS Super member, you can split certain super contributions with your spouse if they belong to or join either:

- NGS Super, 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), or
- 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 makes 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** the contributions were made. For example, if you want to split contributions made between 1 July 2015 and 30 June 2016, your application for a split must be made by 30 June 2017.

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 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
Employer and salary sacrifice; deductible personal contributions ²	The contribution must have been made in the last financial year, and then the contribution split must occur in the next financial year. For example, if a contributions was received in 2015/2016 financial year, then it must be split by 30 June 2017.	The maximum applies to the sum of all concessional contributions received during the split period and is the lesser of 85% ³ of those contributions and 85% ³ of the current concessional contributions cap.

² Deductible personal contributions are contributions you have made to NGS Super for which you are eligible to claim a tax deduction. You must first provide NGS Super with the notice of intent to claim a deduction prior to splitting contributions with your spouse.

From 1 July 2017, you will be able to claim a full deduction for personal contributions you make to your super before you turn 65 regardless of your employment arrangement (if you are under 18 you will need to have earned income as an employee or a business operator). For those age 65-74, you will need to meet the work test (you must work 40 hours in 30 consecutive days).

³ Reflecting 15% contributions tax.

Rules on the amount that can be split

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

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 if you have more than one investment option you can't specify which option you'd like the amount being split to be drawn down from. The amount split will be in proportion to how your account balance is invested.

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
 - aged 65 or over, or
 - aged 56¹ to 64 and has retired from the workforce
- your full account balance.

When will we be able to access the split contributions?

Split contributions are generally preserved until your receiving spouse's permanent retirement after attaining preservation age, termination of a gainful employment arrangement (even if not retired) after age 60, or attainment of age 65. It's possible that this will be earlier or later than if the contributions had remained in your account. Preservation age is based on date of birth, as detailed in the following table.

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

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.

For further information on spouse contributions, please read the *Make spouse contributions work for you* fact sheet which is available from the NGS Super website at www.ngssuper.com.au/PDS. You can also request a copy by calling **1300 133 177**.

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/forms 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 56¹, or
 - is between age 56¹ and age 65, but not retired.

If you change your mind about splitting, please contact NGS Super. 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.

JOIN FORCES AND MAKE YOUR SUPER WORK HARDER

More information?

If you are thinking about splitting contributions with your spouse or partner, you should consider obtaining professional advice 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

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

Important information

You should consider all the information contained in the Product Disclosure Statement dated 1 June 2017 and incorporated fact sheets 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.

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.

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