

# SPLIT SUPER CONTRIBUTIONS WITH YOUR SPOUSE

*Make super work  
for the two of you*

FACT SHEET 4

1 JULY 2018

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 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 *Transition to retirement* or *Income account* prior to reaching age 60, or
- 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, or
- equalising Accumulation account balances between spouses, or
- if you or your spouse are close to the \$1.6m transfer balance cap, splitting contributions between spouse accounts could also 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 Preservation table on page 3).

## 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 us. Applications can be made in a current financial year to split contributions made to your account during the previous financial year.

# 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 us 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 contributions with my spouse afterwards?

If you or your employer makes super contributions to us 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 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 2017 and 30 June 2018, your application for a split must be made by 30 June 2019
- or
- if you are withdrawing your entire benefit from NGS Super (eg as a rollover or lump sum benefit), in the financial year your contributions were made but before you make the full withdrawal.

## 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 <sup>1</sup>	The contribution must have been made in the last financial year, and then the contribution split must occur in the current financial year.  For example, if a contributions was received in 2017/18 financial year, then it must be split by 30 June 2019.	The maximum applies to the sum of all concessional contributions received during the split period and is the lesser of 85% <sup>2</sup> of those contributions and 85% <sup>2</sup> of the current concessional contributions cap.

<sup>1</sup> 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 us with the **Notice of intent to claim a deduction form** prior to splitting contributions with your spouse.

From 1 July 2017, you are 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 aged 65-74, you will need to meet the work test (you must work 40 hours in 30 consecutive days).

<sup>2</sup> Reflecting 15% contributions tax.

## NGS 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 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 Contributions splitting form](#) available on their website at [www.ato.gov.au](http://www.ato.gov.au).

## When can you access 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 permanently 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.

## Preservation 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 on our website at [www.ngssuper.com.au/PDS](http://www.ngssuper.com.au/PDS). You can also request a copy by calling us on **1300 133 177**.

To apply to split your contributions, complete our **Contribution Splitting form**, which is available on our website at [www.ngssuper.com.au/forms](http://www.ngssuper.com.au/forms) or by calling us 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 their preservation age, or
  - has reached their preservation age, is less than age 65 and has not yet retired.

If you change your mind about splitting, please contact us. 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?

### Contact us

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

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**1300 133 177**

If you are thinking about splitting contributions with your spouse, consider obtaining professional advice to understand how this works for your personal situation.

We offer low-cost personal advice through NGS Financial Planning.

To make an appointment phone us on **1300 133 177** or complete the **Financial planning enquiry form** on our website at [www.ngssuper.com.au/financial-planning](http://www.ngssuper.com.au/financial-planning).

### Important information

You should consider all the information contained in the Product Disclosure Statement dated 29 September 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.