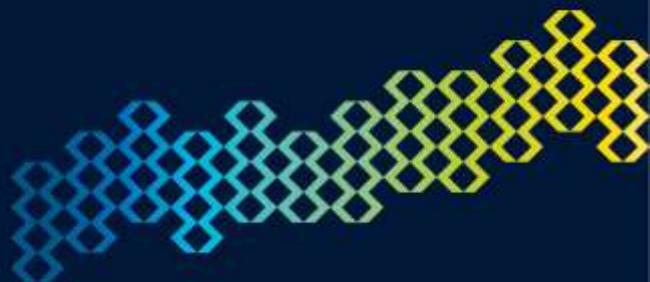


# Spouse Contributions Fact Sheet



A tax offset may apply if you make contributions on behalf of your non-working or low income earning spouse. A spouse includes someone (whether of the same sex or a different sex):

- to whom you are legally married; or
- who, although not legally married to the person, lives with you on a genuine domestic basis in a relationship as a couple.

## Eligibility

The Federal Government provides a tax offset of up to \$540 pa where you make a post-tax contribution to your spouse's account in a complying superannuation fund and all of the following conditions are met:

- the sum of your spouse's assessable income, including total reportable fringe benefit amounts and reportable employer super contributions for the financial year was less than \$40,000;
- both you and your spouse were Australian residents when the contributions were made;
- you and your spouse were not living separately or apart on a permanent basis when the contributions were made;
- the contributions were not made to satisfy a family law obligation to split contributions with your spouse;
- the contributions were made to a complying super fund or a retirement savings account on behalf of your spouse;
- the contributions are not deductible to you (you can't claim a tax deduction and a spouse tax offset for the same contributions);
- your spouse did not exceed their non-concessional contributions cap for the year (\$100,000 for the 2018-19 financial year); and
- your spouse must have had a total superannuation balance (across all super funds) less than the general transfer balance cap at the end of 30 June of the previous financial year (this is \$1.6 million for the 2018-19 financial year).

If you are unsure of the assessable income figure for your spouse, you can contact the Australian Taxation Office (ATO) on 13 10 20 for additional information.

## Calculating the offset

The tax offset is 18% on the first \$3,000 of spouse contributions made. The maximum offset amount of \$540 pa applies when your spouse's assessable income is \$37,000 pa or less. The eligible spouse contribution limit of \$3,000 reduces by \$1 for every \$1 of income above \$37,000 until your spouse's assessable income reaches \$40,000.

**Example 1:** Fred and Louise are married. Louise earns a total of \$30,000. Fred has contributed \$5,000 to Louise's super account. The amount of offset that he can claim is calculated below:

Louise's total earnings	\$30,000	Maximum contribution amount	\$3,000
		Multiplied by the offset percentage	18%
		Equals claimable tax offset	\$540

Fred can claim a tax offset amount of \$540 in his tax return for the spouse contributions he made.

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**Example 2:** John and Mary are in a de facto relationship. John's earnings for the year are \$39,000. Mary has contributed \$3,000 to John's super account. The amount of offset that she can claim is calculated below:

John's total earnings	\$39,000
Minus maximum income level	\$37,000
Equals reduction in contribution amount	\$2,000

Maximum contribution amount	\$3,000
Less reduction in contribution amount	\$2,000
Equals eligible contribution	\$1,000
Multiplied by the offset percentage	18%
Equals claimable tax offset	\$180

Mary can claim a tax offset amount of \$180 in her tax return for the spouse contributions she made.

### Further Information

You can visit the Australian Taxation Office website at <https://www.ato.gov.au/individuals/income-and-deductions/offsets-and-rebates/super-related-tax-offsets/> for more detailed information about the Spouse Contribution offset.

Warning: This fact sheet is general advice only and does not take into account your individual objectives, financial situation or needs. We encourage you to consider discussing your superannuation arrangements with a licensed financial adviser to obtain financial advice that is tailored to suit your own personal circumstance.