

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 2017-18 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 2017-18 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.

Spouse Contributions Fact Sheet

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.