Contribution Splitting Fact Sheet

Contribution splitting enables you to share your super with your spouse now, as you save, rather than waiting until you are about to retire.

How does it work?

Contribution splitting allows members to split employer contributions, as well as some personal contributions with their spouse or de facto partner, including a same-sex partner. Contributions can be split with a spouse who is:

- under their preservation age* regardless of whether they are working or not, or
- between their preservation age* and age 65, and not permanently retired.

* preservation age will be between age 55 and 60. You can contact the Fund on 08 9237 9707 to find out exact age for your spouse.

Which super contributions can and can't be split?

You can split employer Superannuation Guarantee (SG), pre-tax (salary sacrifice) and personal deductible contributions. There is a maximum level of contributions that can be split in a year. This is the lesser of:

- 85% of the concessional contributions (which includes employer, salary sacrifice and personal deductible contributions); and
- the concessional contribution cap*.

* Note that even if you split your contributions, the contributions initially made to your super account are counted as part of your contribution limits, not your spouse's limits.

The following types of contributions can not be split between spouses:

- post-tax contributions that are you not claiming a tax deduction for and government co-contributions;
- amounts that have been rolled over from a previous fund or an overseas fund;
- Directed Termination Payments paid on termination of employment;
- small business capital gains tax exempt amounts; and
- amounts subject to Family Law splitting orders.

When can contributions be split?

You can only split your contributions after the end of the financial year (30 June) in which you made the contributions, unless you are closing your account in the Fund. You must lodge your splitting form before the end of the financial year following the year the contributions were made. For example, a request to split contributions that were received in the 2017-18 financial year must be received by the Fund by 30 June 2019.

Why take advantage?

Some ways splitting super contributions could be effective is:

- if you plan to access your super before age 60, building up two separate super accounts can be more tax-effective than having just one larger account, as each of you would be able to access $205,000 of your taxed component tax-free (threshold applies for the 2018-19 financial year);
- if your spouse is older than you and will be able to access their super benefits earlier than you; or
- if your spouse is younger than you, you may be able to defer having those contributions split with your spouse counted under the Department of Human Services asset and income test, potentially giving you access to a higher aged pension entitlement.

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.

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