

Contributions splitting

How to complete your *Superannuation contributions splitting application*.

BEFORE COMPLETING THIS APPLICATION

Contact your superannuation (super) fund before completing this application, to check whether your fund:

- offers contributions splitting
- needs you to use a different application form
- charges a fee for contributions splitting to recover costs.

You can only apply once to split contributions made to a particular super fund in a particular financial year.

! If you want to apply to split deductible personal contributions, you must give your super fund a *Notice of intent to claim or vary a deduction for personal super contributions* (NAT 71121) **before** you lodge your *Superannuation contributions splitting application*.

WHO SHOULD COMPLETE THIS APPLICATION?

You should complete this application if you want to increase your spouse's super by giving them some of your super. When you split your contributions, you transfer or roll over a portion of the contributions you recently made to your super account to your spouse's super account.

For this application, the definition of a spouse includes a person:

- you are legally married to
- you are in a relationship with that is registered under certain state or territory laws (including registered same-sex relationships)
- 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').

! Contributions splitting does not reduce the amount counted towards your concessional contributions cap. Your super fund reports to us all the contributions that were made for you, including any contributions that were later transferred to your spouse after a contributions splitting application.



WHEN CAN YOU APPLY TO SPLIT YOUR CONTRIBUTIONS?

You can apply to split your contributions when you are any age, but your spouse must be either:

- less than the preservation age that applies to them, **or**
- aged between their preservation age and 65 years, and not retired.

You lodge this application with your super fund in the:

- financial year immediately after the financial year in which the contributions were made
- financial year the contributions were made, **only** if your entire benefit is being withdrawn before the end of that financial year as a rollover, transfer, lump sum benefit or combination of these.

WHEN WOULD YOUR APPLICATION BE INVALID?

Your application to split your contributions is invalid if any of the following applies:

- you have already applied in that financial year and the trustee of your fund has received your application
- the amount of benefits you have applied to split is more than the maximum amount that can be split
- your spouse is 65 years old or over
- your spouse has reached their preservation age and is retired.

WHAT CONTRIBUTIONS CAN BE SPLIT?

The maximum amount that can be transferred to your spouse each financial year usually depends on the amount and type of contributions made by or for you in the *previous* financial year.

It can also depend on the contributions made in the *current* financial year, but only if your entire benefit will be rolled over, transferred or withdrawn in that financial year (see *When can you apply to split your contributions?*).

There are two main types of contributions that can be split with your spouse:

- taxed splittable contributions
- untaxed splittable employer contributions.

Other contributions types cannot be split.

Taxed splittable contributions

You can ask your super fund to transfer to your spouse up to 85% of a financial year's 'taxed splittable contributions'.

These are generally:

- any contributions your employer made for you (your before-tax contributions), including any salary sacrifice contributions
- any personal contributions you made for yourself that you have advised your super fund you will claim a tax deduction for – usually only self-employed people can make this type of contribution.

These contributions can include other amounts, such as amounts allocated by your super fund from a reserve or surplus to meet an employer's liability to make contributions. Contact your super fund for details of what contributions were made for you and whether they can be split.

⚠ The maximum amount of taxed splittable contributions you can apply to split is the lesser of 85% of the concessional contributions for that financial year and the concessional contributions cap for that financial year. Refer to *Super contributions – too much super can mean extra tax* (NAT 71433) to check the current cap.

Untaxed splittable employer contributions

If you are a member of a public sector super scheme, the employer contributions that are made for you may be 'untaxed splittable employer contributions'.

You can transfer to your spouse 100% of untaxed splittable employer contributions made for you in a financial year, if that amount is less than the concessional contributions cap for that financial year.

⚠ Some public sector schemes are not able to offer contributions splitting. You should contact your super scheme for advice about splitting untaxed contributions before completing this application.

WHAT CONTRIBUTIONS CANNOT BE SPLIT?

Any contributions that are not taxed splittable contributions or untaxed splittable employer contributions cannot be split with your spouse – for example, splitting is not available for personal contributions you cannot claim a deduction for.

TABLE 1: What contributions can be split

| Type of contribution | Can they be split? |
|--|--------------------|
| Employer contributions | Yes |
| Salary sacrifice contributions | Yes |
| Personal contributions that you can claim a deduction for (self-employed people may be able to claim this deduction) | Yes |
| Personal contributions that you can't claim a deduction for (employees usually cannot claim this deduction) | No |
| Contributions you make with a capital gains tax (CGT) cap election for small business or with a personal injury election | No |
| Contributions made by your spouse to your super | No |
| Contributions made for you if you are under 18 years old (unless made by your employer) | No |
| Contributions made by family and friends (other than those made by your spouse or for a child under 18 years old) | Yes |
| Transfers from foreign funds | No |
| Allocations from reserves that are assessable, such as allocations to meet an employer's obligation to contribute | Yes |
| Other allocations from reserves | No |
| A rollover super benefit | No |
| A contribution that has already been split | No |
| Government co-contribution payment | No |
| First home saver account payments and government contributions | No |
| Temporary resident contributions | No |
| Trustee contributions | No |
| A super interest that is subject to a payment split (due to relationship breakdown) | No |

EXAMPLE 1: Typical splitting arrangement

John's employer contributed \$10,000 to his super fund in the 2011–12 financial year. John talks to his super fund about splitting his 2011–12 contributions with his wife Mary, who works part-time. The fund advises him he is eligible to apply after 30 June 2012.

John completes the *Superannuation contributions splitting application* and lodges it with his fund in August 2012. He puts \$7,000 at question 22 'taxed splittable contributions' to split his employer contributions.

His super fund accepts his application and determines that it is valid because \$7,000 is:

- less than 85% of the \$10,000 contributed by his employer, and
- less than the concessional contributions cap.

His super fund transfers \$7,000 to Mary's super fund in September 2012.

EXAMPLE 2: Effect on the contributions caps

In 2011–12, Marita had a salary sacrifice arrangement and the super contributions made for her for the financial year are as follows:

| | |
|-------------------------------------|-----------------|
| Salary sacrifice contributions: | \$20,000 |
| Employer contributions: | \$10,000 |
| Total employer contributions | \$30,000 |

After the end of the financial year, Marita and her partner Ken visited an investment adviser who advised her to cut back her salary sacrifice to only \$15,000 and advised her she would need to pay excess contributions tax because she had contributed more than the \$25,000 concessional contributions cap for 2011–12.

A friend later told Marita about contributions splitting. Marita and her friend thought that splitting her contributions with Ken might eliminate the excess contributions made in 2011–12. However, when she gave a *Superannuation contributions splitting application* to her super fund requesting that 85% of her 2011–12 employer contributions be split with Ken, her fund advised:

- they could not accept the application, because she was not permitted to split \$25,500 (85% x \$30,000) with Ken because this amount is more than the \$25,000 concessional contributions cap
- they could accept a new application for a split of 83.33%, but they were required by law to report that \$30,000 had been contributed for her
- she should seek professional advice about excess contributions tax.

Marita goes ahead with the 83.33% split. She later receives an assessment of excess contributions tax from us based on her concessional contributions of \$30,000.

HOW DO YOU COMPLETE THIS APPLICATION?

Section A: Your details

Provide your details.

You don't have to provide your tax file number (TFN) to your super fund on this form, but it may help your super fund identify your account if you do.

⚠ If your super fund does not have your TFN, they cannot accept personal contributions (and other member contributions) and extra tax may be deducted from your employer contributions (and other assessable contributions).

Section B: Your fund's details

Provide the name of your super fund, the fund's Australian business number (ABN) and your member account number.

This information will help your super fund identify your account. Providing your super fund's ABN will help an administrator of a number of separate funds make sure they have the correct fund.

➔ You will find your fund's ABN on your product disclosure statement or member statement. You can search for their details by visiting Super Fund Lookup at superfundlookup.gov.au or find it on your super fund's website. You can also phone your super fund to ask them for their ABN.

Section C: Your spouse's details

Provide your spouse's details – your spouse does not have to provide their TFN to **their** super fund. However, if the super fund does not have their TFN, the fund cannot accept personal contributions (and other member contributions), and extra tax may be deducted from employer contributions (and other assessable contributions).

Section D: Your spouse's fund details

⚠ Amounts cannot be transferred to a super account that has been closed, or to an account a pension is being paid from.

Your spouse can open a new account to receive the contributions and may need to complete a membership application to open a new account.

Provide the name of your spouse's super fund. Providing the fund's ABN will prevent confusion between funds with similar names and may allow electronic processing of the transfer.

Provide your spouse's member account number – this is the account the split contributions will be transferred to. If you do not provide the correct information, your spouse's super fund may not be able to accept the payment.

Section E: Contributions splitting details

Question 21

Financial year ending

Provide the financial year in which the super contributions were made to your account.

⚠ This must be either this current financial year or the previous financial year. You cannot apply to split contributions made to your account in any other financial year – see 'When can you apply to split your contributions?' on page 2.

For example, if you are applying in the 2012–13 financial year, the super contributions to be split must have been made on or after 1 July 2011.

Question 22

Taxed splittable contributions

Provide the amount or percentage of 'taxed splittable contributions' you received in the financial year that you want to transfer to your spouse.

See 'What contributions can be split?' on page 2 for the limits for 'taxed splittable contributions' and what contributions this category includes.

Question 23

Untaxed splittable employer contributions

⚠ Only complete this question if you are a member of a public sector super scheme that treats employer contributions as 'untaxed'.

Provide the amount or percentage of 'untaxed splittable employer contributions' you want to transfer to your spouse.

See 'What contributions can be split?' on page 2 for the limits for 'untaxed splittable employer contributions' and what contributions this category includes.

Section F: Your request and declaration

Read the declaration. Check that the information you provided in the application is correct before printing your full name and signing and dating the declaration.

Section G: Your spouse's declaration

Your spouse should read the declaration and check that they meet the age requirements before printing their full name and signing and dating the declaration.

Your super fund may ask for evidence to demonstrate that your spouse is either:

- less than 55 years old, or
- 55 to 64 years old and not retired.

➔ Send this application to your super fund, not to us.

MORE INFORMATION

For information about whether your super fund allows contributions splitting, you must contact them.

For more information about super or to obtain copies of our publications:

- visit our website at **ato.gov.au**
- phone us on **13 10 20** between 8.00am and 6.00pm, Monday to Friday
- write to us at
Australian Taxation Office
PO Box 3100
PENRITH NSW 2740

If you do not speak English well and need help from the ATO, phone the Translating and Interpreting Service on **13 14 50**.

If you are deaf or have a hearing or speech impairment, phone us through the National Relay Service (NRS) on the numbers listed below, and ask for the ATO number you need:

- TTY users, phone **13 36 77**. For ATO 1800 free-call numbers, phone **1800 555 677**.
- Speak and Listen users, phone **1300 555 727**. For ATO 1800 free-call numbers, phone **1800 555 727**.
- Internet relay users, connect to the NRS at **relayservice.com.au**

OUR COMMITMENT TO YOU

We are committed to providing you with accurate, consistent and clear information to help you understand your rights and entitlements and meet your obligations.

If you follow our information in this publication and it turns out to be incorrect, or it is misleading and you make a mistake as a result, we must still apply the law correctly. If that means you owe us money, we must ask you to pay it but we will not charge you a penalty. Also, if you acted reasonably and in good faith we will not charge you interest.

If you make an honest mistake in trying to follow our information in this publication and you owe us money as a result, we will not charge you a penalty. However, we will ask you to pay the money, and we may also charge you interest. If correcting the mistake means we owe you money, we will pay it to you. We will also pay you any interest you are entitled to.

If you feel that this publication does not fully cover your circumstances, or you are unsure how it applies to you, you can seek further assistance from us.

We regularly revise our publications to take account of any changes to the law, so make sure that you have the latest information. If you are unsure, you can check for more recent information on our website at **ato.gov.au** or contact us.

This publication was current at **February 2014**.



Superannuation contributions splitting application

WHEN COMPLETING THIS FORM

- Print clearly in BLOCK LETTERS using a black pen only.
- Place in ALL applicable boxes.

Section A: Your details

1 Tax file number (TFN)

! You don't have to provide your TFN to your superannuation fund. However, if your superannuation fund does not have your TFN, they cannot accept personal contributions (and other member contributions) and extra tax may be deducted from your employer contributions (and other assessable contributions).

| | | | | | | | |
|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| <input type="text"/> | <input type="text"/> | <input type="text"/> | <input type="text"/> | <input type="text"/> | <input type="text"/> | <input type="text"/> | <input type="text"/> |
|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|

2 Full name

Title: Mr Mrs Miss Ms Other

Family name

First given name

Other given names

3 Address

| |
|----------------------|
| <input type="text"/> |
| <input type="text"/> |

Suburb/town

State/territory

Postcode

4 **Date of birth** Day / Month / Year

5 **Sex** Male Female

6 **Daytime phone number** (include area code)

7 **Email address**

Section B: Your superannuation fund's details

8 **Fund's name**

9 **Australian business number (ABN)**

10 **Member account number**

Section C: Your spouse's details

11 Tax file number (TFN)

! You don't have to provide your TFN to your superannuation fund. However, if your superannuation fund does not have your TFN, they cannot accept personal contributions (and other member contributions) and extra tax may be deducted from your employer contributions (and other assessable contributions).

12 Full name

Title: Mr Mrs Miss Ms Other

Family name

First given name

Other given names

13 Address

Suburb/town

State/territory

Postcode

14 **Date of birth** / /

15 **Sex** Male Female

16 **Daytime phone number** (include area code)

17 **Email address**

Section D: Your spouse's superannuation fund details

18 **Fund's name**

19 **ABN**

20 **Member account number**

Section E: Contributions splitting details

21 Financial year ending

! This must be either this current financial year or the previous financial year. You cannot apply to split contributions made to your account before the beginning of last financial year.

Day Month Year
3 0 / 0 6 /

22 Taxed splittable contributions

Write the amount or percentage that your spouse is to receive. It cannot be more than 85% of the contributions you made in this category or more than the concessional contributions cap for the financial year.

The contributions in this category include:

- employer contributions (including salary sacrifice contributions)
- personal contributions you have advised your fund you will claim as a tax deduction (for example, because you are self-employed).

Dollar amount \$, ~~·~~ OR percentage %

23 Untaxed splittable employer contributions

Write the amount or percentage that your spouse is to receive.

These can only be employer contributions to your public sector superannuation fund that you are requesting be split with your spouse.

Dollar amount \$, ~~·~~ OR percentage %

Section F: Your request and declaration

I request that you split the contributions detailed in section E to the superannuation account of my spouse as detailed in section D. I declare that the information provided on this form is correct.

Name (Print in BLOCK LETTERS)

Signature

Date

Day Month Year
 / /

Section G: Your spouse's declaration

I declare that at the date of this application I am the spouse of the applicant and I am either:

- less than 55 years old
- 55 to 64 years old and not retired.

Name (Print in BLOCK LETTERS)

Signature

Date

Day Month Year
 / /

Privacy

The ATO is a government agency bound by the *Privacy Act 1988* in terms of collection and handling of personal information and tax file numbers (TFNs). For further information about privacy law notices go to ato.gov.au/privacy

➔ Send your completed application to your superannuation fund. You don't send this form to the ATO.

