



# Superannuation contributions splitting for individuals

This fact sheet explains how you may be able to split certain superannuation contributions to your spouse's superannuation account.

## WHAT IS SUPERANNUATION CONTRIBUTIONS SPLITTING?

Contributions splitting allows individuals to split certain superannuation contributions to their spouse's superannuation account. In particular, it allows single income families access to two eligible termination payment (ETP) low rate thresholds and two reasonable benefit limits (RBL) in a similar way to dual income families.

You (the applicant) can apply to split contributions to an account held by your spouse, either within the same superannuation fund or retirement savings account (RSA) provider, or to a different fund, RSA provider, approved deposit fund or life assurance company.

The applicant's spouse is called the receiving spouse. A spouse in relation to a person includes another person who, although not legally married to the person, lives with the person on a genuine domestic basis as the husband or wife of the person.

## WHO CAN SPLIT SUPERANNUATION CONTRIBUTIONS?

You can split contributions made on or after 1 January 2006 if you are:

- a member of an accumulation style fund, **or**
- an RSA holder, **or**
- a member of a defined benefit style fund but you hold an accumulation interest, **and**
- your fund/RSA provider offers contributions splitting.

## DO ALL FUNDS OFFER CONTRIBUTIONS SPLITTING?

The contributions splitting measure is voluntary which means that your fund will decide whether or not it will offer splitting to its members. Your fund will be able to advise you if they offer contributions splitting. Remember, choice of superannuation fund gives many employees the right to choose which fund will receive their employer superannuation contributions.

## CAN ALL SUPERANNUATION CONTRIBUTIONS BE SPLIT?

Splittable contributions made on or after 1 January 2006 to a complying superannuation fund or RSA may be split to your spouse's superannuation account. The following contributions are splittable contributions.

- Taxed splittable contributions – including taxable contributions under section 274 of the *Income Tax Assessment Act 1936* (ITAA 1936) such as:

- employer contributions
- amounts paid by the Tax Office relating to a superannuation guarantee amount or from the superannuation holding accounts special account, and
- allocated surplus contribution amounts.

- Untaxed splittable contributions – including contributions made by a fund member or another person which are not taxable contributions, such as personal contributions and super co-contribution amounts.

## IS THERE A LIMIT ON THE AMOUNT THAT CAN BE SPLIT ?

The maximum splittable amount for any financial year is 85% of taxed splittable contributions and 100% of untaxed splittable contributions.

Since taxable contributions are included in the assessable income of a complying fund, the 85% limit on taxed splittable contributions is a simple means of ensuring members cannot split more than the amount remaining in their account which relates to those taxed splittable contributions.

Only splittable contributions made on or after 1 January 2006 can be split.

## WHAT AMOUNTS CAN'T BE SPLIT?

The following contributions are not splittable contributions:

- amounts received for a member of a fund that have been rolled over, transferred or allotted
- lump sum payments from an eligible non-resident, non-complying superannuation fund (ie, payments from an overseas fund), and
- employer eligible termination payments (ETPs) and ETPs resulting from the small business retirement exemption (capital gains tax exempt components of ETPs).

### IF I ROLL OVER MY CONTRIBUTIONS TO ANOTHER FUND, CAN I STILL SPLIT THEM TO MY SPOUSE'S SUPERANNUATION ACCOUNT?

You can only split amounts received as contributions by your current fund. If you or your employer contribute to a fund and either you roll contributions over to another fund or the fund winds up before the end of the financial year (or before you lodge your contributions-splitting application), these amounts must be treated as rollovers by the receiving fund and the amounts cannot be split. This means if you want to split contributions and you are also thinking of rolling your contributions over to a new fund, you need to consider splitting the contributions before you roll over your contributions to the new fund. You can only apply to split contributions made in the same financial year if your **entire** benefit is to be rolled over or transferred to another fund before the end of that financial year.

### IF I SPLIT AN AMOUNT TO MY SPOUSE'S SUPERANNUATION ACCOUNT, HOW WILL IT BE TREATED BY THE RECEIVING FUND?

Amounts split to a spouse's account are treated as a contributions-splitting ETP for income tax purposes and are taken to have been rolled over to the spouse's account. The eligible service period (ESP) of the contributions-splitting ETP is always zero. The applicant's ESP in respect of the contributions-splitting ETP does not transfer to the receiving spouse.

### WHEN CAN I MAKE A CONTRIBUTIONS-SPLITTING APPLICATION?

You may apply to split an amount of either or both taxed splittable contributions and untaxed splittable contributions made on or after 1 January 2006. This application must be made either:

- in the following financial year (ie between 1 July and 30 June in the financial year following the end of the financial year in which the contributions were made), or
- during the financial year if the entire benefit is to be rolled over or transferred before the end of that financial year.

### HOW CAN I MAKE A CONTRIBUTIONS-SPLITTING APPLICATION?

You should approach your fund to see if the fund has any particular forms you need to fill in or conditions you need to meet. When you fill in the contributions-splitting application you should:

- specify the amount you want to split from either or both of the taxed splittable contributions and untaxed splittable contributions for the relevant financial year.

Funds may also ask for evidence to demonstrate that at the time of the application your spouse:

- has not yet reached preservation age, or
- is between preservation age and age 65 but has not retired.

### What is a person's preservation age?

A person's preservation age depends on their date of birth, as set out in the following table.

Date of birth	Preservation age
Before 1 July 1960	55
1 July 1960 – 30 June 1961	56
1 July 1961 – 30 June 1962	57
1 July 1962 – 30 June 1963	58
1 July 1963 – 30 June 1964	59
After 30 June 1964	60

### CAN I CLAIM A TAX DEDUCTION FOR SPLIT AMOUNTS?

If you intend to claim a tax deduction for personal contributions you make to your fund (and you meet all the relevant conditions), you should lodge your notice of intention to claim the deduction with the trustee of your fund before you lodge a contributions-splitting application. If you lodge your notice of intention to claim a deduction after your fund has accepted your contributions-splitting application, your fund cannot accept your notice of intention to claim a deduction.

### CAN I CLAIM A TAX OFFSET FOR ELIGIBLE SPOUSE CONTRIBUTIONS?

You cannot claim the superannuation spouse contributions tax offset for contributions split to your spouse's superannuation account as the split amount is an ETP rollover and not a contribution to your spouse's account. If you intend to claim a tax offset for contributions you make to your spouse's superannuation account (eligible spouse contributions), you must make contributions directly to that account for the benefit of your spouse. Your spouse's assessable income plus reportable fringe benefits total amount must also be less than \$13,800.

#### MORE INFORMATION

For more information about superannuation contributions splitting:

- phone our information line on **13 10 20**, between 8.00am and 6.00pm EST, Monday to Friday, or
- visit our website at **[www.ato.gov.au/super](http://www.ato.gov.au/super)**

If you do not speak English well and want to talk to a tax officer, phone the Translating and Interpreting Service on **13 14 50** for help with your call.

If you have a hearing or speech impairment and have access to appropriate TTY or modem equipment, phone **13 36 77**. If you do not have access to TTY or modem equipment, phone the Speech to Speech Relay Service on **1300 555 727**.