Contributions splitting

Contributions splitting allows you to increase your spouse's super by giving them some of your super. Let's take a look at how contributions splitting works and the various rules and limits.

How does it work?

Splitting your super contributions with your spouse may help you both achieve financial security in retirement.

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.

A spouse means:

- a person to whom you are legally married,
- a person, whether of the same sex or a different sex, with whom you are in a relationship that is registered under a prescribed Australian State or Territory law, and
- a person, whether of the same sex or a different sex, with whom you are not legally married but who lives with you on a genuine domestic basis as a couple (known as a 'de facto spouse').

When can you split your contributions?

You can 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.

Contributions cannot be split with a spouse who is age 65 or over. Preservation age depends on when you were born:

Date of Birth	Preservation Age
Before 1 July 2960	55
1 July 1960 – 30 June 1961	56
1 July 2961 – 30 June 2962	57
1 July 1962 – 30 June 1963	58
1 July 1963 – 30 June 1964	59
1 July 1964 or after	60

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contributions made in the *current* financial year, but only if your entire benefit will be rolled over, transferred or withdrawn in that financial year.

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.

Note

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

Contributions splitting is a painless split with your partner!

Untaxed splittable 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.

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.

Let’s see how it works

John’s employer contributed $10,000 to his super fund in the 2015-16 financial year. John talks to his super fund about splitting his 2015-16 contributions with his wife Mary, who works part-time. The fund advises him he is eligible to apply after 30 June 2016.

John completes the application to transfer $7,000 to Mary’s super fund and lodges it with his fund in August 2016.

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

- less an 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 2016.

We’re here to help

Super can be quite complicated and sometimes you just want to know that you’re making the right decisions. Because the right decisions about your super can make a real difference to your financial future.

So if you’ve got any questions, or you just want the comfort of knowing you’re on the right track, why not give us a call?

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