

SPLITTING YOUR SUPER WITH YOUR SPOUSE MEANS THAT YOU CAN BOTH HAVE SUPER TO DRAW ON WHEN YOU RETIRE. IT ALLOWS NON-WORKING OR LOW INCOME SPOUSES TO BUILD UP THEIR OWN SAVINGS.

WHEN CAN YOU APPLY TO SPLIT YOUR CONTRIBUTIONS?

You can apply to split your contributions at 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.

Lodge the application with your super fund in the:

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 financial year the contributions were made, only if your entire benefit is being withdrawn before the end of that financial year as a rollover, transfer, lump sum benefit or combination of these.

Can your existing super balance be split?

No, only concessional contributions made in the previous financial year can be split, or concessional contributions in the current financial year if the entire balance is to be rolled-over, transferred or withdrawn before the end of the financial year.

How much can be split?

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; or
- > 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.

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; or
- > the concessional contributions cap for that financial year.

For the 2015/16 financial year, the concessional caps are:

- > \$35,000 for members who are over age 49 at 30 June 2015; or
- > \$30,000 for members who are under age 49 at 30 June 2015.

WHAT CONTRIBUTIONS CANNOT BE SPLIT?

Any contributions that are not taxed splittable employer contributions cannot be split with your spouse – for example, splitting is not available for personal contributions you cannot claim a deduction for, plus any Government co-contributions.

What are the advantages of contribution splitting?

Contribution splitting may provide the following benefits:

- > You and your spouse can take advantage of the low-rate tax threshold if you meet a condition of release between your preservation age and age 60 and make a claim on your super account.
- > For the 2015/16 financial year the low rate threshold is \$195,000 and any withdrawals from your super account will be tax-free and assessable. Any amounts above the threshold will be taxed at 17%.
- > Splitting contributions with your spouse can effectively double the amount of super that you and your spouse can receive tax-free before turning 60.
- > Splitting contributions with an older spouse may enable earlier access to super benefits, if the older spouse is aged 60 years or older and meets a condition of release, generally no tax* will apply to the superannuation benefits received (lump sum or pension benefits).

* *Current tax regulations*

You should seek financial advice before making any decisions regarding contribution splitting.

Example:

Bob (Age 61) had the following contribution arrangements with his employer in the 2015/16 financial year:

Employer Super Guarantee	\$10,000
Salary Sacrifice	\$20,000
After-tax Personal Contributions	\$5,200*
Total Employer Concessional Contributions	\$30,000
Super Contributions Tax	\$30,000 X 15% = \$4,500
Splittable Concessional Contributions	\$25,500

Bob can split up to \$25,500 with his spouse.

* Does not qualify as a splittable contribution

What form do I need to complete to take advantage of contribution splitting?

- > The *Contribution Splitting Application* form and instructions for First Super members who want to split their super contributions can be obtained from the Australian Taxation Office (ATO) website www.ato.gov.au/super.
- > The completed form is then lodged with First Super.
- > First Super must assess whether the member meets the eligibility criteria to split their super contributions.
 - Members can only lodge one valid application to split their contributions each financial year.
 - If you wish to apply to split contributions, please contact First Super on **1300 360 988**.
 - For more information on contribution splitting and to determine eligibility refer to the ATO website www.ato.gov.au/super.

WANT TO KNOW MORE? WE'RE HERE TO HELP.

Please contact our Service Centre today.

Call **1300 360 988**
 Email **mail@firstsuper.com.au**
 Website **firstsuper.com.au**

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