

Contribution splitting

Contribution splitting gives couples access to two tax-free thresholds which could significantly reduce the tax payable on lump sum or pension payments if they are under 60 when they receive the benefit. If they are 60 or over when they receive the benefit, it will be tax free. The rules will also help couples where the spouse has little or no accumulated superannuation benefits

The rules in brief

Depending on your age, splitting contributions with your spouse may reduce your lump sum tax liability.

- Applications to split can be made at any time in the 12 months following the financial year in which the contributions were made. As an example, for contributions made between 1 July 2016 and 30 June 2017 the application to split can be made at any time between 1 July 2017 and 30 June 2018. If you make an application, please ensure it reaches us at least three days before the end of June to allow for processing time.
- Contribution splitting only applies to accumulation accounts, but it may be permitted for defined benefit members' additional contributions to accumulation accounts.
- It is not compulsory for fund trustees to offer contribution splitting, however the trustee of the Fund does allow this.
- Only one application may be accepted by a trustee in any one financial year. Members will have up to 12 months after the year in which they made the concessional contributions to make their application to split, unless they are transferring/rolling out their benefits.
- The decision to split is irrevocable.
- The amount split in favour of the member's spouse will be treated as a rollover for that spouse, which means the member's spouse may access his or her own tax-free threshold.
- 'Spouse' is defined as a married or de facto partner of the opposite sex or same sex.
- Contributions to a superannuation account that is subject to a court order, such as a payment flag under the Family Law Act, cannot be split.

If your spouse does not already have a super account, they can join smartMonday DIRECT.

Splittable contributions and maximum splits

- Contributions that can be split include:
 - ↳ employer Superannuation Guarantee contributions and any salary sacrifice contributions
 - ↳ personal contributions for which you claim a tax deduction.
- The maximum amount that can be split is the lesser of:
 - ↳ 85% of the total splittable contributions, and
 - ↳ the concessional contribution cap for the financial year.

Contributions splitting does not reduce the amount of contributions that are counted towards your contributions cap. Super funds must report all contributions received including the contributions transferred to your spouse.

Requesting a split

We allow members with account balances that are sufficient to support the deduction of insurance premiums (after the split) to split contributions with their spouse. We also accept any splits that your spouse wishes to make into your account.

Splitting forms

There are two forms available on the website (or call us and we'll send you the form you need):

- *Spouse contributions splitting from the Fund*—to be used by members to split contributions they have made with their spouse. Before requesting a split, please note:
 - ↳ an \$80 withdrawal fee applies to any split you make into your spouse's super
 - ↳ after actioning a split from your account, your account balance must be sufficient to support the deduction of any insurance premiums.
- *Spouse contributions splitting into the Fund*—to be used by your spouse to transfer contributions they have split in their fund into your account. Your spouse should check on any splitting fees that their fund may charge, as well as any minimum account balance requirements.

Both partners need to complete the relevant form.

More information

The Australian Taxation Office website ato.gov.au has more information on contribution splitting.

Getting advice

We recommend that you talk to your financial adviser before making decisions about contribution splitting. If you don't have an adviser, call us on 1300 880 588 or email enquiries@smartmonday.com.au to ask about the advice services you can access through your Fund membership.

Contact us

E. enquiries@smartMonday.com.au

P. 1300 880 588

F. 1300 267 582

W. smartMonday.com.au

M. Reply Paid 1949

Wollongong DC, NSW 2500

It all adds up



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