

SUPER FOR YOUR PARTNER

You and your partner can help grow each other's super and potentially benefit from tax savings.

Grow your super with your partner

You can add to your partner's super by making a spouse contribution directly to their account or splitting some of the contributions made to your own account with your partner. Doing so will help your partner grow their retirement savings so you can both enjoy a stronger financial future.

Why do people pay into their partner's super or split their contributions?

Time taken out of paid employment can impact your superannuation balance at retirement. If you or your partner have reduced your work hours or experienced time out of the workforce to study, take care of children or a family member, or due to ill health, redundancy or any other reason, you could both benefit by paying into super this way.

If certain eligibility requirements are met you could receive a tax offset for the contributions you make.

Can anyone help boost their partner's super?

Anyone can pay into their partner's super account on their behalf or share certain super contributions with their partner as long as the recipient is under age 65 and you are:

- married or in a de-facto relationship
- both Australian residents at the time the contribution is made
- permanently living together (not separated or apart) when the contribution is made.

If the recipient partner is age 65 to 74, they must meet the conditions above and work at least 40 hours in a consecutive 30-day period during the financial year. When your partner reaches age 75 they can no longer receive a contribution from you.

What are spouse contributions?

These contributions are amounts you pay into your partner's account on their behalf (or amounts they pay into your account). By paying into your partner's super account you could receive a tax offset.

How does the tax offset work?

If you contribute to your partner's super account and they have a total annual income of less than \$37,000 you will receive an 18% tax offset on the first \$3,000 of contributions up to a maximum of \$540. The offset gradually reduces for income above this level and completely phases out when your spouse's total annual income reaches \$40,000.

| If your spouse's total annual income* is: | Your tax offset will be... |
|---|---------------------------------------|
| \$36,999 or less | \$540 |
| \$37,000 - \$39,999 | reducing as spouse's income increases |
| \$40,000 | \$0 |

You are not eligible to claim this offset if your spouse:

- had non-concessional contributions that exceeded their non-concessional contributions cap, or
- had, at 30 June 2017, a total superannuation balance of \$1.6 million or more.

How much can I contribute?

There is no limit to the amount you can contribute to your partner's account. However, spouse contributions are made from after-tax income (i.e. they cannot be salary sacrificed) and will count towards your partner's

non-concessional contributions cap, which is \$100,000 for the current financial year. Spouse contributions are not subject to 15% contributions tax. Read our *Contribution caps info sheet* for more information.

What contributions can I split with my partner?

Concessional contributions (before tax) made to your account in the previous financial year can be redirected to your partner's account. These include:

- employer contributions
- salary sacrificed contributions
- personal contributions claimed as a tax deduction.

Everyone has a concessional contributions cap of \$25,000. All concessional contributions are taxed at 15% when they reach your super account. For more information on contributions tax see our *Superannuation tax info sheet*.

If you have a Defined Benefits Fund or Defined Benefit account you can only split salary sacrificed personal contributions you've made into your account.

What contributions can't I split with my partner?

You cannot split the following contributions with your partner:

- after-tax contributions
- transfers from other funds including those transferred under Family Law provisions
- super co-contribution amounts
- amounts received as a result of superannuation contributions splitting.

What limits apply?

You can split up to 85% of concessional contributions that were made during the previous financial year. You are unable to split your existing account balance and a minimum split amount of \$500 applies. Any amounts that are split will form part of your spouse's taxable component. Our *Superannuation tax info sheet* tells you more. For a copy visit our website or contact us.

Split amounts received by your spouse do not count toward their contribution caps. Super splitting does not reduce your concessional contributions reported to the Australian Taxation Office for contribution cap purposes. See our *Contribution caps info sheet* for details.

Can I claim a tax offset for the contributions I split?

No, because the amount was originally made as a before-tax contribution. You will need to make a separate after-tax contribution directly to your spouse's account in order to claim a tax offset for eligible spouse contributions.

How do I split contributions made during the 2017/18 financial year?

When you receive your LGIAsuper statement (any time from September 2018), simply complete a *Contributions split form* specifying the amount you want to redirect to your partner's account. For the application to be valid you will need to declare your receiving spouse is either under their preservation age or between their preservation age and 64 but has not permanently retired. The form must be returned before 31 May 2019. For a copy, visit our website or give us a call.

The amount will usually be transferred to your spouse's account within 30 days of receiving your application. If you are transferring to another super fund, you will need to request your contributions split before you leave LGIAsuper. Contact us for more information.

Split contributions are preserved until your spouse permanently retires after reaching their preservation age.

Can my partner open an LGIAsuper account?

Yes! Anyone can join LGIAsuper, anytime. It only takes a few minutes to open an account online. Go to lgiasuper.com.au/join.

Once your partner opens an account, they can arrange to securely transfer any super they have in other funds to their new LGIAsuper account using our **Find my super** tool, available through Member online.

If your partner works, they can arrange for their employer to pay into their LGIAsuper account. Employers everywhere can contribute. All your partner needs to do is complete an *I choose LGIAsuper form* and hand it to their employer. For a copy see our website or give us a call.

Any questions?

We're here to help. Our trusted and reliable team can work with you to grow your savings and plan a strong financial future. Call us on **1800 444 396** or visit our website at lgiasuper.com.au.