

Contributions splitting

How to complete your *Superannuation contributions splitting application*.

You may need to contact your super fund before completing this application to check whether your fund:

- offers contributions splitting
- needs you to use a different application form
- charges a fee for contributions splitting to recover costs.

You can only apply once to split contributions made to a particular super fund in a particular financial year.

! If you want to apply to split deductible personal contributions, you must give your super fund a *Notice of intent to claim or vary a deduction for personal super contributions* (NAT 71121) **before** you lodge your *Superannuation contributions splitting application*.

WHO SHOULD COMPLETE THIS APPLICATION?

You should complete this application if you want to boost your spouse's super savings with some of your own. When you split your contributions, you transfer or roll over a portion of the contributions recently made to your super account, to your spouse's super account.

For this application, the definition of a spouse includes:

- a person you are legally married to
- a person you are in a relationship with that is registered under certain state or territory laws (including registered same-sex relationships)
- a person, of the same or of a different sex, who lives with you on a genuine domestic basis in a relationship as a couple (known as a 'de-facto spouse').

! Contributions splitting does not reduce what must be counted towards your concessional contributions cap. Your super fund reports to the ATO all the contributions that were made for you, including any contributions that were later transferred to your spouse after a contributions splitting application.



You can apply to split contributions regardless of your own age, but your spouse must be either:

- less than 55 years old
- 55 to 64 years old and not retired.

You usually lodge this application with your super fund in the financial year immediately after the financial year in which the contributions were made. You can also lodge it during the financial year the contributions were made, **but only if** your entire benefit is being withdrawn before the end of that financial year as a rollover, transfer, lump sum benefit or combination of these.

EXAMPLE 1: Applying before the end of the financial year

Bill usually splits 50% of the employer contributions made for him to XYZ Super with his spouse Olga following the end of each financial year. However, in September 2010 Bill decided to rollover all the super he had in XYZ Super to his and Olga's new self-managed super fund. XYZ Super therefore permits him to lodge two contributions splitting applications before he and Olga roll the balance of their accounts with XYZ Super into their new self-managed fund. Together he lodges:

- an application to split 50% of the employer contributions made for him in 2009–10 to Olga's account in the self-managed super fund
- another application to split 50% of the employer contributions made for him so far in 2010–11 to Olga's account in the self-managed super fund
- a request to rollover the balance remaining in his account with XYZ to his self-managed super fund.

WHAT CONTRIBUTIONS CAN BE SPLIT?

The maximum amount that can be transferred to your spouse each financial year in a 'contributions split' 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 the year (as explained above).

There are two types of contributions that can be split with your spouse and other contributions types that cannot be split. These categories and the limits that apply to them are as follows.

Taxed splittable contributions

You can ask your super fund to transfer to your spouse up to 85% of the 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 and have advised your super fund that you will claim a tax deduction for them. (Usually only self-employed people can make this type of contribution.)

These contributions can include other amounts, such as amounts allocated by your super fund from a reserve or surplus to meet an employer's liability to make contributions. Contact your super fund for details of what contributions were made for you and whether they are splittable.

⚠ The amount of contributions in this category you ask to split can't be more than the concessional contributions cap for the financial year. Refer to *Super contributions – too much super can mean extra tax* (NAT 71433) to check the current cap.

Untaxed splittable employer 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 the financial year, provided they don't exceed the concessional contributions cap for that financial year.

⚠ Some public sector schemes are not able to offer contributions splitting. You should contact your super scheme for further advice about splitting untaxed contributions before completing this application.

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 for which you cannot claim a deduction.

ARE MY CONTRIBUTIONS SPLITTABLE?

The following table provides some further guidance, but you may need to check with your super fund concerning how they categorise your contributions.

Type of contribution	Are they splittable?
Employer contributions	Yes
Salary sacrifice contributions	Yes
Personal contributions that you can claim a deduction for (self-employed people may be able to claim this deduction)	Yes
Personal contributions that you can't claim a deduction for (employees usually cannot claim this deduction)	No
Contributions you make with a CGT cap election for small business or with a personal injury election	No
Contributions made by your spouse to your super	No
Contributions made for you if you are under 18 years old (unless made by your employer)	No
Contributions made by family and friends (other than those made by your spouse or for a child under 18 years old)	Yes
Directed termination payments	No
Transfers from foreign funds	No
Allocations from reserves that are assessable, such as allocations to meet an employer's obligation to contribute	Yes
Other allocations from reserves	No

EXAMPLE 2: Typical arrangement

John's employer contributed \$10,000 to his super fund in the 2007–08 financial year. John also made \$4,000 in personal contributions during the same year. John's wife, Mary, does not have very much super, as she has only been working on a part-time basis since the birth of their son. John talks to his super fund about splitting his 2007–08 contributions jointly with Mary, and the fund advises him he is eligible to apply after 30 June 2008.

John completes the *Superannuation contributions splitting application* and lodges it with his fund in August 2008. He puts \$7,000 at question 22 'taxed splittable contributions' in order to split his employer contributions. (Being an employee, he is unable to split his personal contributions as he is not able to claim a deduction for them.)

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

- less than 85% of the \$10,000 contributed by his employer
- under the concessional contributions cap of \$50,000.

His super fund transfers \$7,000 to Mary's super fund in September 2008.

EXAMPLE 3: Effect on the contributions caps

In 2009–10, Marita had a salary sacrifice arrangement and the contributions made for her for the year are as follows:

Salary sacrifice contributions:	\$20,000
SG employer contributions:	\$10,000
Total employer contributions	\$30,000

After the end of the financial year, Marita and her partner Ken visited an investment advisor who advised her to cut back her salary sacrifice to only \$15,000 and alerted her to the excess contributions tax she would need to pay as she had exceeded the \$25,000 concessional contributions cap for 2009–10.

A friend later told Marita about contributions splitting. Marita and her friend thought that splitting her contributions with Ken in 2010–11 would eliminate the excess contributions made in 2009–10. However, when she gave a *Superannuation contributions splitting application* to her super fund requesting that 85% of her 2009–10 employer contributions be split with Ken, her fund advised:

- they could not accept the application, as she was not permitted to split \$25,500 (85% x \$30,000) with Ken as this amount exceeded the \$25,000 cap
- they could accept a new application for a split of 83.33%, but warned they nevertheless were required by law to report that \$30,000 had been contributed for her
- she should seek professional advice about excess contributions tax.

Marita goes ahead with the 83.33% split. As expected, she later receives an assessment of excess contributions tax from the ATO based on her concessional contributions of \$30,000.

HOW DO I COMPLETE THIS APPLICATION?

Section A: Your details

Provide your personal details.

You don't have to provide your tax file number (TFN) to your super fund on this form, but you should check that your super fund has your TFN.

! If your super fund does not have your TFN, they cannot accept personal contributions (and other member contributions) and extra tax may be deducted from your employer contributions (and other assessable contributions).

Section B: Your fund's details

Provide the name of your super fund, the fund's Australian business number (ABN) and your member account number.

This information will allow your super fund to identify your account. Providing your super fund's ABN will help an administrator of a number of separate funds make sure they have the correct fund.

➤ You will find the ABN on your product disclosure statement or member statement. Alternatively you may search for their details on Super Fund Lookup at www.superfundlookup.gov.au or find it on your super fund's website. You can also contact your super fund to ask them for their ABN.

Section C: Your spouse's details

Provide your spouse's personal details. Your spouse does not have to provide their TFN to their super fund. However, if the super fund does not have their TFN, the fund cannot accept personal contributions (and other member contributions) and extra tax may be deducted from employer contributions (and other assessable contributions).

Section D: Your spouse's fund details

⚠ Amounts cannot be transferred to an account that has been closed or an account from which a pension is being paid.

Your spouse can open a new account to receive the contributions and may need to complete a membership application.

Provide the name of your spouse's super fund. Providing the fund's ABN will prevent confusion between funds with similar names and may allow electronic processing of the form.

It's important that you give your spouse's member account number too. This is the account to which the split contributions will be transferred. If you do not provide the correct information, your spouse's super fund may not be able to accept the payment.

Section E: Contributions splitting details

Question 21

Financial year ending

Provide the financial year in which the super contributions were made to your account.

⚠ This must be either this current financial year or the previous financial year. You cannot apply to split contributions made to your account before the beginning of previous financial year (see page 2).

For example, if you are applying in the 2010-11 financial year, the super contributions to be split must have been made on or after 1 July 2009.

Question 22

Taxed splittable contributions

Provide the amount or percentage of 'taxed splittable contributions' you received in the financial year that you want to transfer to your spouse.

Refer to 'What contributions can be split?' on page 2 for the limits upon 'taxed splittable contributions' and what contributions this category includes.

Question 23

Untaxed splittable employer contributions

⚠ Only fill in the answers to this question if you are a member of a public sector super scheme that treats employer contributions as 'untaxed'.

Provide the amount or percentage of 'untaxed splittable employer contributions' you want to transfer to your spouse.

Refer to 'What contributions can be split?' on page 2 for the limits upon 'untaxed splittable employer contributions' and what contributions this category includes.

Section F: Your request and declaration

Read the declaration. Check that the information you provided in the application is correct before printing your full name and signing and dating the declaration.

Section G: Your spouse's declaration

Your spouse should read the declaration and check that they satisfy the age requirements before printing their full name and signing and dating the declaration.

Your super fund may ask for evidence to demonstrate that your spouse is either:

- less than 55 years old
- 55 to 64 years old and not retired.

➔ Send this application to your super fund **not** to the ATO.

MORE INFORMATION

To obtain copies of our publications or for more information:

- visit our website at **www.ato.gov.au**
- phone **13 10 20** between 8.00am and 6.00pm, Monday to Friday
- write to us at
Australian Taxation Office
PO Box 3100
PENRITH NSW 2740

If you do not speak English well and need help from the ATO, phone the Translating and Interpreting Service on **13 14 50**.

If you are deaf, or have a hearing or speech impairment, phone the ATO through the National Relay Service (NRS) on the numbers listed below:

- TTY users, phone **13 36 77** and ask for the ATO number you need
- Speak and Listen (speech-to-speech relay) users, phone **1300 555 727** and ask for the ATO number you need
- internet relay users, connect to the NRS on **www.relayservice.com.au** and ask for the ATO number you need.

For information about whether your super fund allows contributions splitting you will need to contact them rather than the ATO.

OUR COMMITMENT TO YOU

We are committed to providing you with accurate, consistent and clear information to help you understand your rights and entitlements and meet your obligations.

If you follow our information in this publication and it turns out to be incorrect, or it is misleading and you make a mistake as a result, we must still apply the law correctly. If that means you owe us money, we must ask you to pay it but we will not charge you a penalty. Also, if you acted reasonably and in good faith we will not charge you interest.

If you make an honest mistake in trying to follow our information in this publication and you owe us money as a result, we will not charge you a penalty. However, we will ask you to pay the money, and we may also charge you interest.

If correcting the mistake means we owe you money, we will pay it to you. We will also pay you any interest you are entitled to.

If you feel that this publication does not fully cover your circumstances, or you are unsure how it applies to you, you can seek further assistance from us.

We regularly revise our publications to take account of any changes to the law, so make sure that you have the latest information. If you are unsure, you can check for a more recent version on our website at **www.ato.gov.au** or contact us.

This publication was current at **October 2010**.



Superannuation contributions splitting application

WHEN COMPLETING THIS FORM

- Print clearly in BLOCK LETTERS using a black pen only.
- Place ☐ in ALL applicable boxes.

Section A: **Your details**

1 Tax file number (TFN)

! You don't have to provide your TFN to your super fund. However, if your super fund does not have your TFN, they cannot accept personal contributions (and other member contributions) and extra tax may be deducted from your employer contributions (and other assessable contributions).

2 Full name

Title: Mr ☐ Mrs ☐ Miss ☐ Ms ☐ Other

Family name

First given name

Other given names

3 Address

Suburb/town

State/territory

Postcode

4 Date of birth

Day

/

Month

/

Year

5 Sex

Male ☐ Female ☐

6 Daytime phone number (include area code)

7 Email address

Section B: **Your super fund's details**

8 Fund's name

9 Australian business number (ABN)

10 Member account number

Section C: Your spouse's details

11 TFN

 You don't have to provide your TFN to your super fund. However, if your super fund does not have your TFN, they cannot accept personal contributions (and other member contributions) and extra tax may be deducted from your employer contributions (and other assessable contributions).

12 Full name

Title: Mr Mrs Miss Ms Other

Family name

First given name

Other given names

13 Address

Suburb/town

State/territory

Postcode

14 Date of birth / /

15 Sex Male Female

16 Daytime phone number (include area code)

17 Email address

Section D: Your spouse's super fund details

18 Fund's name

19 ABN

20 Member account number

Section E: Contributions splitting details

21 Financial year ending

! This must be either this current financial year or the previous financial year. You cannot apply to split contributions made to your account before the beginning of last financial year.

Day

Month

Year

30 / 06 /

22 Taxed splittable contributions

Write the amount or percentage that your spouse is to receive. It cannot be more than 85% of the contributions you made in this category or more than the concessional contributions cap for the financial year.

The contributions in this category include:

- ☐ employer contributions (including salary sacrifice contributions)
- ☐ personal contributions you have advised your fund you will claim as a tax deduction (for example, because you are self-employed).

Dollar amount

\$

,

.

~~X~~

OR

percentage

%

23 Untaxed splittable employer contributions

Write the amount or percentage that your spouse is to receive.

These can only be employer contributions to your public sector superannuation fund that you are requesting be split with your spouse.

Dollar amount

\$

,

.

~~X~~

OR

percentage

%

Section F: Your request and declaration

*I request that you split the contributions detailed in section E to the super account of my spouse as detailed in section D.
I declare that the information provided on this form is correct.*

Name (Print in BLOCK LETTERS)

Signature

Date

Day

Month

Year

/

/

Section G: Your spouse's declaration

I declare that at the date of this application I am the spouse of the applicant and I am either:

- ☐ less than 55 years old
- ☐ 55 to 64 years old and not retired.

Name (Print in BLOCK LETTERS)

Signature

Date

Day

Month

Year

/

/

➤ Send your completed application to your super fund.
You don't send this form to the ATO.