

# SPOUSE SUPER CONTRIBUTIONS

Increase their super and reduce your tax

- Does your spouse earn less than \$13,800?**
- Do you wish to increase your combined super savings?**
- Do you wish to reduce your income tax liability?**

## How does it work?

If your spouse is on a low income, you can make contributions into their super account and claim a tax offset. This contribution is a non-concessional contribution, and will form part of your spouse's tax-free component in their super account. This amount is drawn tax free at retirement.

Super funds are concessionally taxed, with complying super funds taxed on their earnings at a maximum rate of 15%. By placing additional money into your spouse's super, you're increasing your spouse's contribution to their super account. However, you should remember that your spouse can't access the contribution you've made into their account until they're eligible to access their super, which for most people is at retirement age.

## What does it mean for me?

You can receive a tax offset for making a contribution to your spouse's super fund if your spouse's assessable income (including reportable fringe benefits and reportable employer super contributions) is less than \$13,800. This is a tax offset (rather than a tax deduction) and is therefore a direct saving against your income tax liability.

## How do I know if I qualify?

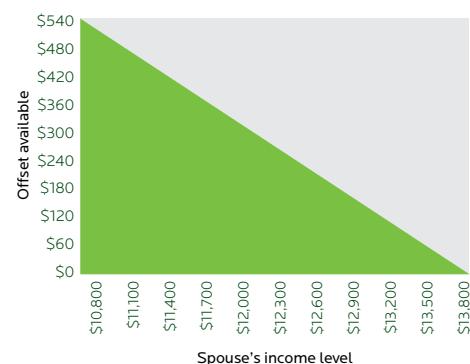
You need to make a contribution with after tax monies into your spouse's super account. A spouse under superannuation law is a person who is in a genuine domestic bona fide relationship as husband or wife (married or de facto) including same sex couples. You must both be Australian residents and the receiving spouse must be under age 70 and eligible to contribute to super.

The maximum offset available is \$540, which is based on a contribution of \$3,000 for a spouse with assessable income, reportable fringe benefits and reportable employer super contributions of \$10,800 or less.

The offset gradually reduces as your spouse's income level increases, and will phase out completely once your spouse's assessable income, reportable fringe benefits and reportable employer super contributions reaches \$13,800. The offset is also reduced if the contribution you make is less than \$3,000.

The diagram below illustrates the maximum offset available depending on the spouse's income, based on a \$3,000 contribution.

## Maximum offset available (based on \$3,000 contribution)



# Right Strategy. Right Time.

## Putting it into practice

Anne is a highly paid executive. She's married to David who is a stay-at-home dad. David has investments in his name and generates \$10,000p.a. of income from these investments.

Anne and David have decided that in order to boost their future retirement savings, Anne will make a \$3,000 after-tax contribution into David's superannuation account. As David's income is below \$10,800, Anne will receive a tax offset of \$540 for this contribution – a direct saving off her personal income tax liability. The \$3,000 contributed into David's superannuation account is an undeducted (non-concessional) contribution.

**To find out if you're eligible for a tax offset while increasing your spouse's retirement savings, please talk to your financial adviser today.**

## IMPORTANT INFORMATION

This information was prepared by Securitor Financial Group Ltd, ABN 48 009 189 495 AFSL & Australian Credit Licence (ACL) 240687 (Securitor) and is current as at 1 January 2012.

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