GOVERNMENT OF WESTERN AUSTRALIA

Contribution splitting

GESB Super and West State Super

GESB SUPERANNUATION

What is contribution splitting?

Contribution splitting is available for members of GESB Super and West State Super, and allows you to split some of your super contributions with your spouse. By splitting your contributions, single income families can make use of the same taxation incentives available to dual income families. A portion of your super can be split into a new or existing super account for your spouse.

A spouse, for these purposes, is the husband, wife or defacto partner (including same sex partner) of a member who lives permanently with that member on a bona fide domestic basis, at the time the contributions are made. Both the member and spouse must be Australian residents at the time the spousal contributions are made.

For GESB Super members, contribution splitting does not reduce the amount that will be counted towards your concessional contributions cap.

GESB reports all of your contributions to the Australian Taxation Office, including contributions that were transferred to your spouse after a contribution splitting application.

When can I split contributions?

Your application to split your contributions should be lodged with GESB:

- In the financial year following the year in which the contributions were made, or
- Within the same financial year the contributions were made if your entire benefit is to be rolled over, transferred, or cashed before the end of that financial year

Once GESB has your application, you cannot make another application for the same contribution period.

Which contributions can be split and how much?

Concessional contributions paid into your super account during a financial year can be split into your spouse's super account.

Concessional contributions that can be split include:

- Contributions paid by your employer such as Superannuation Guarantee contributions
- Salary sacrificed contributions
- Voluntary contributions to GESB Super for which an income tax deduction has been claimed

The amount that you can split with your spouse each year usually depends on the amount and type of contributions made to your super fund in the previous financial year.

- **GESB Super** - you can split up to 85% of your employer contributions (including salary sacrifice) and personal deductible contributions, provided the amount to be split does not exceed the concessional contributions cap for that year
- **West State Super** - you can split 100% of your employer contributions (including salary sacrifice), provided the amount to be split does not exceed the concessional contributions cap for that year

For more information about tax and contributing to your super, read the **'Tax and super'** brochure and **'Contributing to your super'** brochure available at www.gesb.com.au/brochures

Which contributions cannot be split?

Non-concessional contributions, such as voluntary after-tax contributions cannot be split.

In addition, the following amounts cannot be split:

- Amounts that have been rolled over from another fund or transferred from a foreign super fund
- Small business capital gains tax exempt amounts
- Amounts subject to Family Law splitting orders
- Voluntary contributions to West State Super for which an income tax deduction has been claimed
- Contributions made where you were not in a bona fide relationship with the spouse nominated on the contribution splitting form

Your application is invalid if:

- You have already made an application for the same contribution period
- The amount on your application exceeds the maximum amount that you can split
- At the time of application, your spouse is aged 65 years or over or is aged between the relevant preservation age and 65 years and has retired
- You are not in a bona fide relationship as at the time of making the application to split your contributions

A person who has at any time been gainfully employed is taken to 'retire' if:

- The person, having been gainfully employed after they turned 60 years of age, ceases to be gainfully employed, or
- The person is at least the preservation age, is not gainfully employed and GESB is reasonably satisfied they will never again become gainfully employed for 10 hours a week or more

Case study

Peter is aged 54. He earns a salary of $64,000 p.a. and has $540,000 in his super account. He wants to carry on working after the age of 55 and continue to salary sacrifice into his super. His wife Janet is aged 51 and has $50,000 in her super account. They want to make sure they each have enough super by the time they retire. Peter plans to split his salary sacrifice contributions and transfer them to Janet's super account. By splitting the amount of super in his account, Peter and Janet will now have access to two low rate caps if they elect to retire before the age of 60.

How to contact us

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