



● SPOUSE CONTRIBUTION TO SUPERANNUATION

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If you make an after-tax contribution into your spouse's superannuation account and they earn less than a certain amount, you may be eligible for a tax offset of up to \$540. This strategy could be a great way to grow your superannuation as a couple.

BENEFITS

By increasing your spouse's superannuation balance, you are able to:

- Increase superannuation contributions for a spouse who has made limited contributions due to carer responsibilities or part-time work.
- The tax offset could help reduce your income tax.
- Take advantage of individual transfer balance caps at retirement.
- Access superannuation earlier if your spouse is older.
- Increase and exclude the value of your spouse's balance from the Centrelink Assets and Income Test, if your spouse is less than Age Pension Age, which may assist you in your application and benefit payment for the Age/DVA Pension.
- Access to a potential tax offset is based on your contribution and your spouse's income.

HOW IT WORKS

A spouse can be married or de facto and be both Australian residents

To receive a spouse contribution, the **receiving** spouse must be (at the time of contribution):

- Less than Age 65, or
- Aged between 65-69 and have satisfied a work test (40 hours/30 days).
- Able to use their non-concessional contributions (NCC) cap.

WHAT YOU NEED TO CONSIDER

- You both need to be Australian residents at the time you make the contribution. To be able to make a spouse contribution, you must be either legally married or in a de facto relationship. You need to be living together on a permanent basis. If you are a married couple living separately, you won't qualify.
- Your spouse must either be under the age of 65 or, if aged between 65 and 69, they need to meet the work test requirements by having proof of working in gainful employment for 40 hours within a 30-day period during the year.
- There is a limit as to how much you are allowed to contribute into your spouse's superannuation fund.
- Spouse contributions count towards your spouse's NCC cap. Penalties may apply if either of you exceed your NCC cap.
- The offset also won't apply if your spouse exceeds their non-concessional (after-tax) contributions cap for the year or your spouse has a total superannuation balance above the general transfer balance cap.

REFERENCES



You may wish to refer to the following websites for further information about spouse contribution to superannuation:

- www.ato.gov.au
- www.moneysmart.gov.au
- www.servicesaustralia.gov.au

The information in this document is of a general nature and does not take into account your own financial objectives, circumstances or needs. You should consider your own personal situation and requirements before making a decision.

Affinia Financial Advisers Limited ABN 13 085 335 397 AFSL No. 237857
Level 16, 363 George Street Sydney NSW 2000
t 1300 AFFINIA (1300 233 4642)
e hello@affinia.com.au
w www.affinia.com.au