Grow your super together!

Boost your spouse's super

Taking time off to care for kids or family, working part-time, and working in low-paid jobs or industries can make it hard to grow your super. Thankfully, spouses can help by contributing to each other's super.

Spouses can contribute to each other's super using:

- **Spouse contributions** - where you make an after-tax contribution directly into your spouse's super account (and possibly qualify for a tax offset).
- **Contribution splitting** - where you transfer some of your before-tax super contributions into your spouse's super account. Contribution splitting doesn't qualify for a tax offset.

What's best for you depends on your personal circumstances. You should get advice before boosting your spouse's super.

Spouse contributions

What are spouse contributions?

A spouse contribution is an after-tax contribution made into the super fund of an eligible spouse (including a de facto partner). It's a great way to help grow each other's super, particularly if one partner takes a break from work or earns much less than the other.

Plus, it can have tax benefits. If the receiving spouse earns less than $40,000 a year, the contributing spouse may be eligible to claim a tax offset of up to $540 on some or all the money they contribute to their partner's super.

Who can make or receive spouse contributions?

Anyone can **make** a spouse contribution, regardless of age, work status or income.

To **receive** a spouse contribution, you must be eligible to contribute to super. See the *How super works guide* for more details.

How much can you contribute?

There are limits to how much you can contribute to super each financial year without incurring additional tax. These are known as contribution caps.

There are two caps to be aware of: a before-tax (concessional) cap and an after-tax (non-concessional) cap. If you go over these caps, you'll generally pay extra tax.

Spouse contributions count towards the receiving spouse's after-tax (non-concessional) cap.

There's no limit to how much after-tax money you can put into your spouse's super account, but they will pay extra tax if they go over their cap. However, you can only claim a tax offset for the first $3,000 contributed each year.

See our *How super works guide* for more information about tax on contributions and treatment of excess contributions.

What's the spouse contribution tax offset?

Tax offsets reduce the amount of tax payable on your taxable income. This doesn't mean you'll get the money back when you lodge your tax return, but it might reduce your personal income tax bill.

If the receiving spouse earns less than $37,000 in the 2024-25 financial year, the contributing spouse can claim an 18% tax offset for making the spouse contributions.

The maximum available offset is $540. For the contributing spouse to get the full offset:

- the receiving spouse needs to earn less than $37,000 during the financial year and
- the contributing spouse needs to make an after-tax contribution of $3,000 to their spouse's super account ($3,000 x 18% = $540)

A partial offset will be available if the receiving spouse earns between $37,000 and $40,000 during the financial year. This means for every dollar of income they earn above $37,000, the amount they can claim the offset against reduces by one dollar.

A tax offset won't be available if the receiving spouse earns over $40,000 per year or exceeds their after-tax (non-concessional) cap in the same financial year as your contribution. See the example on this page for more details.

Who's eligible for the tax offset?

You may be eligible for the spouse tax offset for the 2024-25 financial year if:

- your spouse's total assessable income, total reportable fringe benefits and reportable employer super contributions are under $40,000 in the financial year the contribution is made
- your spouse hasn't gone over their after-tax (non-concessional) cap for the relevant financial year
- your spouse's total super balance wasn't $1.9 million or more (across all super funds they participate in) on 30 June 2024
- your spouse is under 75
- you didn't claim a tax deduction for the contribution
- both you and your spouse were Australian residents and not living apart on a permanent basis when the contributions were made

The following contributions don't qualify for the tax offset:

- contributions you've split with your spouse
- payments made as a result of family law obligations

How can you claim a tax offset?

It's easy. You claim your tax offset through your tax return at the end of each financial year. Remember, you can only claim a tax offset for spouse contributions made in the same financial year.

Example

If your spouse earned $37,500, the available tax offset is calculated as follows:

1.

Receiving spouse's income less the income limit.

$37,500 - $37,000 = $500

2.

Maximum contribution considered for the offset less $500.

$3,000 - $500 = $2,500

3.

Multiply the adjusted contribution amount by the tax offset rate.

$2,500 X 18% = $450

If you make a spouse contribution of $2,500 or more during the 2024-25 financial year, you'll receive a tax offset of $450.

How are spouse contributions taxed?

Spouse contributions are after-tax contributions, so you generally don't pay any contributions tax on them. Read our *How super works guide* for more details.

Keep in mind that spouse contributions can't be used to claim a tax deduction and don't qualify for super co-contributions.

How to make a spouse contribution

If the receiving spouse is a CareSuper member, you can make spouse contributions by:

- **BPAY®** – you'll need the spouse biller code and reference number on your spouse's member statements and in **Member Online**. Make sure that you use the spouse biller codes, not your own BPAY codes or account details.[1]
- **cheque** – make your cheque payable to 'CareSuper' and attach a completed *Make a super contribution* form. Make sure you tell us it's a spouse contribution on the form.

Make sure you tell us it's a spouse contribution. Otherwise, it will be classed as a member contribution, and the payer won't be eligible for the tax offset.

If your spouse is with another super fund, you'll need to contact them to get the right details.

®Registered to BPAY Pty Ltd ABN 69 079 137 518. | [1]The maximum amount you can contribute in a single payment using BPAY is $120,000.

Meet Sarah and John

Sarah contributes to John's super

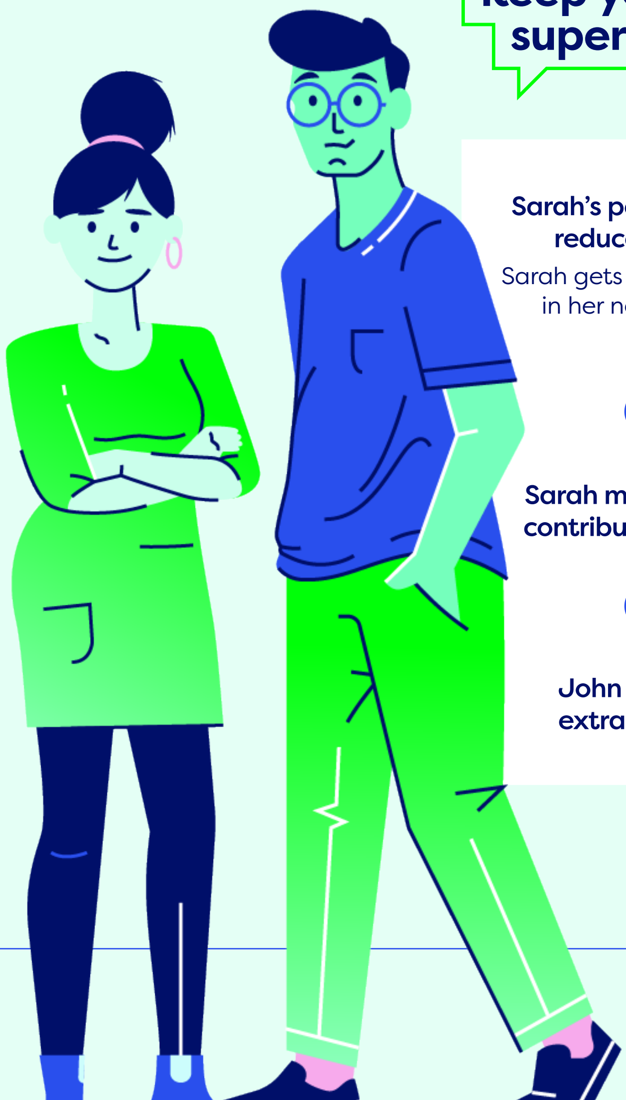
Sarah, a full-time office manager, is married to John, a part-time tour guide.

To help John's super grow, Sarah makes a spouse contribution of $3,000 into John's super account.

Because John earns less than $37,000 a year, Sarah is eligible for a spouse contribution tax offset.

Neither Sarah nor John can claim a tax deduction for this contribution.

This contribution will count towards John's after-tax contributions cap.



Keep your super growing

Sarah's personal savings reduce by $3,000

Sarah gets a $540 tax offset in her next tax return.

↓

Sarah makes a spouse contribution of $3,000

↑

John has $3,000 extra in his super

Contribution splitting

What's contribution splitting?

Contribution splitting allows you to boost your spouse's super by sharing some of yours with them.

When you 'split' your contributions, you transfer or roll over some of the eligible contributions recently made to your super account to your spouse's account.

Who can split super contributions?

If you're a member with us, you can apply to split contributions with your spouse — even if your spouse is with another super fund.

A spouse is someone who you live with as a couple on a genuine domestic basis. You don't have to be legally married.

You can split your contributions at any age, but your spouse must be either:

- under 60 years of age
- between 60 and 65 years, but not retired from the workforce

Once your contributions are split, they belong to your spouse and are subject to preservation rules.

Split contributions aren't allowed from a Defined Benefit account.

Not all super funds offer contribution splitting

If your spouse is with another fund and wants to make a split contribution into your CareSuper account, they need to check with their fund first.

Which contributions can be split?

You can only split before-tax (concessional) contributions. The maximum you can split is up to the lesser of:

- **85% of your before-tax contributions in the financial year** – this includes contributions from your employer (including salary sacrifice contributions) and any personal contributions you've made and successfully claimed a tax deduction for
- **the before-tax (concessional) cap for that financial year** – the cap for 2024-25 is $30,000. However, you may be able to carry forward unused cap amounts from previous years if you meet eligibility criteria. Read our *Super contributions* fact sheet for more details.

If your contributions for the relevant financial year aren't classified as before-tax (concessional) contributions, they can't be split. See *Meet Stuart and Claire* on page 6 for an example.

Spouse contributions and personal contributions you haven't claimed a tax deduction for can't be split.

Impact on contribution caps

Split contributions will count towards your before-tax (concessional) cap, even after they've been transferred to your spouse's account.

The transferred contributions don't count towards your spouse's before-tax (concessional) cap.

For more information about contribution caps, read our *Super contributions* fact sheet.

How are contribution splits taxed?

The transferred contributions aren't taxed when paid to or received by your spouse's super account.

If you're claiming a tax deduction on personal contributions that you also want to split, make sure to provide us with the deduction notice before you apply. For more details, read our *Claiming tax deductions for contributions* fact sheet.

How to split your contributions

Complete the ATO's *Superannuation contributions splitting application (NAT 15237)* form available at ato.gov.au or 13 10 20 and send it to us.

You must submit your application to us in the:

- financial year following the financial year in which the contributions to be split were made
- same financial year that the contributions were made if you plan to withdraw or transfer out your entire account before the end of that financial year

You can only apply to split contributions made to CareSuper once each financial year.

Can I make a spouse contribution and split contributions?

If you and your spouse are both eligible, you can make a spouse contribution and split eligible contributions.

However, it's important to note spouse contributions can't be split, and split contributions aren't eligible for the spouse contribution tax offset. See *Meet Mike and Simone on* page 5 for an example.

Meet Mike and Simone

Mike is a miner who earns $100,000 each year. His fiancé Simone is a part-time office assistant earning $20,000 per year. Mike is keen to help Simone's super grow faster.

Mike has contributed $15,000 to super this financial year through salary sacrifice and employer contributions.

To help Simone's super balance, he can:

- transfer up to 85% of his eligible contributions to Simone

PLUS

- make a $3,000 spouse contribution into Simone's account

The contributions that Mike transfers to Simone (split contributions) total $12,750 and will still count towards Mike's before-tax (concessional) cap.

The $3,000 spouse contribution will count towards Simone's after-tax (non-concessional) cap.

Mike can transfer 85% of eligible contributions

Mike has eligible contributions of $15,000.

Mike transfers $12,750 to Simone

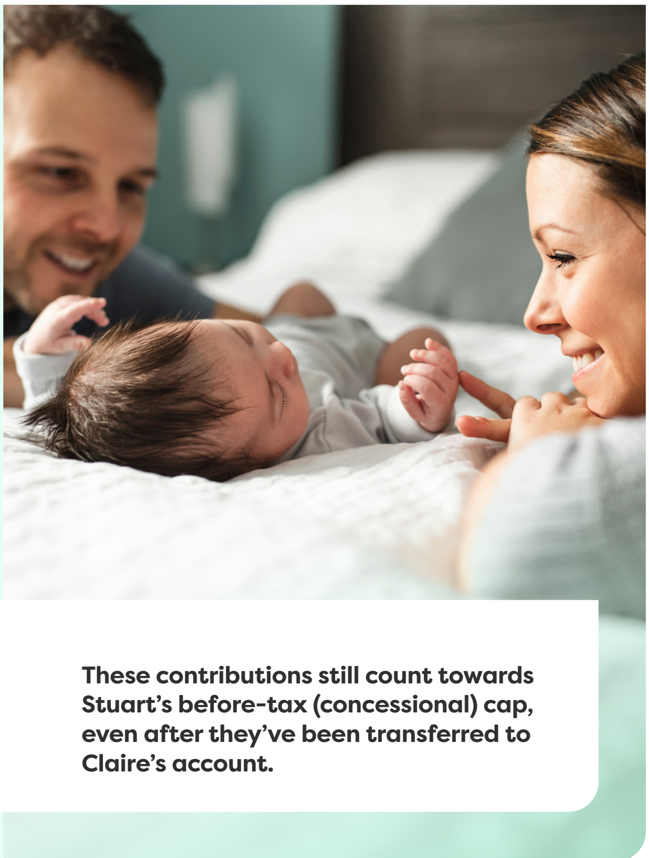
Mike's personal savings reduce by $3,000

Mike gets a $540 tax offset in his next tax return.

Mike makes a spouse contribution of $3,000

Simone has $15,750 extra in her super

Meet Stuart and Claire



Stuart contributes to Claire's super

Stuart and Claire have just had their first child.

To keep Claire's super growing while she's on maternity leave, Stuart splits eligible super contributions with Claire.

Stuart earns $90,000 per year and receives $10,350 of super guarantee contributions from his employer.

Stuart can transfer up to $8,797.50 (85% of his eligible contributions) to Claire for this financial year.

Stuart transfers $8,797.50 of his super to Claire → Claire has $8,797.50 extra in her super

These contributions still count towards Stuart's before-tax (concessional) cap, even after they've been transferred to Claire's account.

Need advice?

We're here to help you make the most of your super. You can access general information, education, and personal advice about your CareSuper account at no extra cost.

If you need advice on your entire financial situation or have more complex needs, we can assist with that too. There might be an additional cost, but we'll explain any fees upfront, and you'll only pay for the services you agree to.

For more details, visit **caresuper.com.au/advice**.

All our forms and publications are available at caresuper.com.au/forms-publications or call us, and we'll send you a copy.

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FSMC001 11/2024