

## Contributions splitting

LGsuper members with accumulation benefits can split taxed contributions made to their account during the previous financial year with their spouse.

### What is contributions splitting?

Contributions splitting allows you to transfer contributions made in the previous financial year to your spouse's superannuation account, either with LGsuper or another super fund. It does not allow you to split your existing account balance, as only contributions made during the previous financial year can be split.

Splitting may offer tax advantages if either of you access your money between the ages of 55 and 59. If you are interested in opening an LGsuper account for your spouse, contact LGsuper for a copy of the Spouse account guide (PDS).

### Who can you split your contributions with?

Contributions can be split with a spouse (married, de facto or same sex partner) who:

- > is younger than their preservation age (currently 55)
- > aged between their preservation age and age 65, as long as they are not permanently retired

Contributions transferred to your spouse are generally only accessible once your spouse permanently retires after reaching their preservation age.

### What contributions can be split?

You can choose to split up to 85% of the following contributions (also known as before-tax or concessional contributions):

- > employer contributions
- > salary sacrifice contributions
- > personal contributions for which a tax deduction has been claimed

You can choose to split contributions during the last financial year, after allowing for any deductions from your account such as insurance premiums. A minimum split amount of \$500 applies, and you also need to leave at least \$3000 in the contributing spouse's account to keep it open. Any amounts split form part of the taxable component of your spouse's account.

The following contributions are unable to be split with a spouse:

- > after-tax contributions (also known as 6% standard member contributions not salary sacrificed, voluntary or non-concessional contributions)
- > transfers from other funds
- > long service leave and annual leave paid out when leaving employment
- > employment termination payments (ETPs)
- > super co-contribution amounts
- > contributions toward a defined benefit (salary sacrificed amounts above the standard member contribution are paid into an accumulation account and can be split)
- > amounts received as a result of superannuation contributions splitting

### What about the contributions limits?

Contributions you split to your spouse's account will still count toward your before-tax contributions limit for the last financial year, as follows:

Under age 50 before tax contributions limit	\$25,000 p.a.
Age 50 and over transitional before-tax limit (up to 30 June 2012)	\$50,000 p.a.

Split amounts received by your spouse will not count toward their own contributions limit.

### When can contributions be split?

If you would like to split contributions made to your account during 2009/10 you don't need to do anything until after you receive your annual benefit statement in September 2010. You'll need to complete an LGsuper form requesting the split and send it to us before 31 May 2011. The amount will usually be transferred to your spouse's account within 30 days of receiving your application. If you are transferring to another super fund, you will need to request your contributions split before you leave LGsuper. Contact us for more information.

### Can I claim a tax offset for spouse contributions?

You cannot claim a tax offset for contributions split into a receiving spouse's account, as the amount was originally made as a before-tax contribution.

You will need to make a separate after-tax contribution directly to your spouse's account in order to claim a tax offset for eligible spouse contributions.

### How do I apply?

To split contributions, simply complete the *Contributions split form* from our website. When completing the form you will need to specify the amount you want to split, and declare that at the time of the application, your receiving spouse:

- > has not reached age 55, or
- > is between age 55 and 59, but has not permanently retired.

Split contributions are preserved until your spouse has reached their preservation age. See the table below for their preservation age:

Date of birth	Preservation age
Before July 1960	55
1 July 1960 – 30 June 1961	56
1 July 1961 – 30 June 1962	57
1 July 1962 – 30 June 1963	58
1 July 1963 – 30 June 1964	59
From 1 July 1964 on	60

### Any questions?

LGsuper is here to help. Contact us on 1800 444 396 to talk through your options and have your questions answered.

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