

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 product disclosure statement.

What contributions can be split?

You can choose to split up to 85% of most employer 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.

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

Who can you split your contributions with?

Contributions can be split with a spouse (married or de facto) 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. Depending on their date of birth, this is somewhere between age 55 and 60.

When can contributions be split?

If you would like to split contributions made to your account during 2007/08 you don't need to do anything until after you receive your annual benefit statement at 30 June 2008. You'll need to complete an LGsuper form requesting the split and send it to us before 31 March 2009. The amount will be transferred to your spouse's account within 90 days of receiving your application.

If you are rolling over, you will need to request your contributions split before you leave LGsuper. Contact us for more information.

Any questions?

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

This info sheet has been prepared by the Queensland Local Government Superannuation Board (AFSL 230511 RSE Licence No. L0000178) on behalf of the Local Government Superannuation Scheme (ABN 23 053 121 564 RSE Registration No. R1000160). Information on products offered by the Board can be found in our product disclosure statements.

It provides general information only and does not take into account your personal objectives, financial situation or needs. The Board recommends you consult with an authorised or licensed financial advisor if you require advice which takes into account your personal financial circumstances. LGsuper has representatives that are authorised to provide personal advice on LGsuper products and superannuation.

Jul 08

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