

Spouse contributions

Contributions can be made to LGsuper on behalf of your spouse (married, de facto or same sex partner) if he or she is living with you at the time contributions are made and they are under age 65. If aged from 65 to 69 years, the receiving spouse must have worked at least 40 hrs in a period of not more than 30 consecutive days in the current financial year for a contribution to be made. Once a spouse is aged 70 plus they can no longer receive spouse contributions.

Tax offset for spouse contributions

As long as the spouse receiving a contribution earns less than \$13,800 p.a. the contributing spouse will be eligible for a tax offset on the first \$3000 of contributions made each financial year. If your spouse earns \$13,800 p.a. or more you can still make spouse contributions but you will not be able to claim the tax offset and your spouse won't receive the super co-contribution for this amount.

So, how much is the offset? This depends on how much the receiving spouse is earning.

Receiving spouse's income p.a.	Tax offset amount on first \$3000 contributed
\$10,799 or less	\$540
\$10,800—\$13,799	Rebate reduces as income increases
\$13,800	\$0

Example

Tom makes a \$5,000 spouse contribution for his wife Penny in a particular financial year. Penny has an income of \$11,800 for that year, so how much rebate does Tom get?

Step 1 Annual Income minus lower limit (at which full rebate applies)

$$= \$11,800 - \$10,800$$

$$= \$1,000$$

Step 2 First \$3,000 of contributions minus the result from Step 1

$$= \$3,000 - \$1,000$$

$$= \$2,000$$

Step 3 Result from Step 2 x 18%

$$= \$2,000 \times 18\%$$

$$= \text{Rebate of } \$360$$

Spouse account

To make spouse contributions to LGsuper, you must open your spouse's account with a contribution of at least \$100. Once you have established an account for your spouse, any additional lump sum contributions made to his/her account must also be at least \$100. If you wish to make regular contributions to your spouse's account via payroll deduction, and your council is prepared to do this, each contribution must be at least \$10.

To open a Spouse account, contact us for a copy of the Accumulation Benefits Fund, Retained Benefit account and Spouse account guide (PDS).

Options at retirement

Your spouse has the option of transferring to either the Retained Benefit account or a Pension account upon permanent retirement from the workforce after reaching their preservation age (age 55 if he/she was born before 1 July 1960). This is providing that your spouse has, at some time in the past, been gainfully employed (i.e. working at least 10 hours or more per week).

Upon retirement, your spouse will be required to complete a statement declaring that he/she was previously gainfully employed and has now permanently retired and doesn't intend to ever again become gainfully employed on either a full-time basis or on a part-time basis. Your spouse will also need to provide evidence of his/her date of birth.

If your spouse has never been gainfully employed, then he/she will not be able to access the money in the spouse account until reaching age 65 (or on satisfying another release condition such as total and permanent disability).

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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