

Contribution splitting

What is 'contribution splitting'?

Superannuation and tax laws allow you to transfer, or 'split', certain super contributions into your spouse's super account.

Note: You should consider seeking professional financial planning and/or taxation advice to decide if contribution splitting is appropriate for you.

Who can split contributions?

Contribution splitting is available to OSF Division F members.

What contributions can I split?

Up to 85% of concessional contributions (ie. compulsory employer contributions or allocations and salary sacrifice contributions or allocations) made or received by the contributing spouse on or after 1 January 2006 may be eligible for splitting, subject to a maximum of the concessional contributions cap.

Existing super benefits, rollovers, lump sum payments from overseas super funds, Eligible Termination Payments, Employment Termination Payments or superannuation lump sum payments **cannot** be split.

Note: Although previously eligible, non-concessional contributions and Government Co-contributions made after 5 April 2007 are no longer eligible for splitting.

When can I split my contributions?

You can apply to split your contributions once per year, in the financial year following the financial year in which the contributions were made.

You may also apply to split your contributions during the year if you are transferring your entire super benefit out of the OSF.

How do I find out how much I can split?

There are several ways you can find out how much you are eligible to split:

- Check your Benefit Statement for the amount of concessional and non-concessional contributions paid to your account.
- Log in to your Division F account via FirstNet at www.osfsuper.com.au to see a history of contributions to your account.
- Contact OSF Investor Services on 1800 023 928.

Note: The Employer allocations on your Benefit Statement and FirstNet are shown net of tax, which already represent 85% of your total concessional contributions. You can therefore apply to split up to the full amount shown for concessional contributions.

How do I apply to split my contributions?

1. If your spouse does not have an existing super account, you need to open an account in your spouse's name to receive the contribution split.
 - To open an OSF Spouse Account, you and your spouse should refer to the *Product Disclosure Statement for Division F Ordinary Members and Spouse Members* (available from the OSF intranet, internet or OSF Investor Services) for more information and an application form.
 - If you open a spouse account with another super fund, you will need to have the details of this account before completing an *OSF Spouse Contribution Splitting Application Form*.
2. You and your spouse should complete an *OSF Spouse Contribution Splitting Application Form* (available from the OSF intranet, internet or OSF Investor Services).
3. Send your completed form to OSF Investor Services.

Can I get access to contributions once I have split them?

No—once contributions are split to a spouse account, they are vested in your spouse's name; you can no longer access these benefits.

How do split contributions work under the contributions caps?

Once contributions are split to your spouse's super account, they are classed as non-concessional contributions within the spouse account.

This means that any contribution splitting amounts will count towards the spouse's non-concessional contributions cap.

About the non-concessional contributions cap

A cap of \$150,000 per year applies for non-concessional contributions. No tax applies to contributions up to this cap.

If your spouse makes or receives contributions above the cap, these excess non-concessional contributions will be taxed at the highest marginal tax rate (currently 46.5% including Medicare levy). However, the OSF will not accept a contribution where we are aware that it will exceed the non-concessional contributions cap.

If your spouse is under age 65, they can bring forward two years of non-concessional contributions and make or receive a larger contribution of up to \$450,000 but they will be unable to make any further non-concessional contributions for the next two years.

Note: The non-concessional contributions cap applies per person, regardless of how many super funds or accounts your spouse has.

If I'm transferring super into the OSF, can I still split my contributions?

You can only apply to split amounts received by your super fund as 'contributions'; you cannot apply to split money transferred into another fund.

This means that if you want to transfer super into the OSF from another fund, and you have splittable contributions with your other fund, you must apply to your other fund to split those contributions *before* you transfer into the OSF.

Once the OSF receives your transfer, you will no longer be able to apply to split these funds.

If I'm transferring funds out of the OSF, can I still split my contributions?

If you are transferring your entire benefit out of the OSF, you can apply to split contributions during the year.

In the same way as for transferring funds into the OSF, you must apply to split any eligible contributions *at the same time or before* you notify OSF Investor Services that you want to transfer out of the OSF.

Once your new fund receives the transfer, you will no longer be able to apply to split these contributions.

Any questions? Just contact us

Tel: 1800 023 928 between 8.30am and 5.00pm (Sydney time), Monday to Friday

Fax: (02) 9303 7700

Mail: GPO Box 4758, Sydney NSW 2001

Email: osfms@colonialfirststate.com.au

Intranet: <http://commnet.cba/staffsuper/funds>

Internet: www.osfsuper.com.au

Disclaimer: This fact sheet is provided to OSF members for general information only and the Trustee has taken reasonable care in producing it. However, to the extent that it may be regarded as containing general advice, the information has been prepared without taking account of members' objectives, financial situation or needs. Before acting on the information, members should therefore consider its appropriateness, having regard to their own objectives, financial situation and needs. If the information relates to acquiring (or possibly acquiring) or continuing to hold a particular financial product, members should obtain a Product Disclosure Statement (PDS) relating to the product and consider the PDS before making any decision about whether to acquire or continue to hold the product.