

Super facts on contributions splitting

TelstraSuper

Government contributions splitting rules allow members and their spouses to split their super contributions between their accounts.

Contributions splitting enables you to share your super with your spouse* now, as you save, rather than waiting until you are about to retire.

How does it work?

Eligible contributions made to an accumulation account can be split with your spouse, with the transfer of funds made annually after the end of the financial year in which the contributions were made.

Splits can be made to your spouse's account within the same super fund (such as a *Telstra Super Personal Plus* account), or to another super fund or Retirement Savings Account you nominate.

Contributions your spouse has made to their super account can be received into your Telstra Super account.

Amounts split to a spouse's account are preserved on entry to the receiving account and the Eligible Service Date reverts to that of the receiving spouse. Contributions splitting amounts are treated as a superannuation lump sum payment for income tax purposes.

You can only apply to split contributions made in the current financial year if you are exiting the fund or rolling over your entire benefit to another fund.

Who can split contributions?

You are eligible to split contributions with your spouse, on the condition that you and your spouse are living together.

To be eligible for contributions splitting your spouse must be under 65 years of age, even if they are still working. If your spouse is over their preservation age, they must declare they have not retired in order to receive contributions from your account.

Spouse accounts

If your spouse is not already a Telstra Super member you may like to consider opening a *Telstra Super Personal Plus* account for them. *Telstra Super Personal Plus* has no entry fees, exit fees or commissions and low member and administration fees.

A *Telstra Super Personal Plus* Product Disclosure Statement and Application form are available by calling 1300 033 166 or visiting www.telstrasuper.com.au

Which super contributions can be split?

You and your spouse can choose to split employer Superannuation Guarantee (SG) contributions and pre-tax (salary sacrifice) contributions. You can split any amount less the 15% contributions tax payable, so effectively you can split up to 85% of these gross contributions.

Which super contributions cannot be split?

The following types of contributions cannot be split between spouses:

- Employment Termination Payments (ETPs)
- any post-tax contributions
- amounts that have been rolled over, transferred or allotted from a previous fund
- lump sum payments such as those from an overseas fund
- any contributions made prior to 1 January 2006.

Contributions splitting can only be applied to accumulation super arrangements. If you are a member of the Defined Benefit arrangement and have a Voluntary Accumulation Account, contributions splitting can be applied to your Voluntary Accumulation Account only. If your benefit is subject to a family law split, you cannot apply for contributions splitting.

How do I arrange to split contributions?

You can request contributions to be split once each year after 30 June. For example, to request a split for contributions relating to the current financial year, requests can be made from 1 July the following financial year.

To arrange a split to your spouse's account, you will need to complete a Telstra Super Contributions Splitting Application form. Forms are available by calling **1300 033 166** or visiting www.telstrasuper.com.au

Once we receive your completed form your contributions split request will be actioned within 90 days and you will receive a letter confirming your contributions transfer. If your spouse wishes to split their contributions from another super fund into your Telstra Super account, your spouse will need to arrange this through their super fund.

Example

Drew is a full-time worker on a salary of \$100,000. His spouse, Simone, has a lower super balance, and is working part-time. Drew is already salary sacrificing (\$10,000 gross) and decides to split 100% of his super contributions with Simone, once tax has been deducted.

After the end of the financial year Drew requests that \$16,150 be transferred from his super account into Simone's account.

SG employer contributions	\$ 9,000
+ Pre-tax contribution	\$10,000
= Total deductible contributions to super (untaxed)	\$19,000
- Tax payable	\$ 2,850
= Net contributions	\$16,150

*An eligible spouse must be someone you are presently in a relationship with and with whom you live on a genuine domestic basis as a couple. Other conditions apply. For the purposes of contributions splitting, your spouse must be under 65 years of age, even if they are still working. If your spouse is over their preservation age, they must declare they have not retired in order to receive contributions from your account.

This information is general advice only and does not take into account your individual objectives, financial situation or needs. Before acting on any advice you should assess whether it is appropriate for you and consider talking to a financial adviser. Before making any decision about acquiring any product, you should obtain and review its product disclosure statement by calling 1300 033 166 or visiting www.telstrasuper.com.au

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