



Superannuation

Spouse contributions

Aon Hewitt Financial Education Series

Spouse contributions were introduced as a means of building super for people who had been out of the workforce for an extended period. They allow you to make a contribution into super on behalf of your spouse.

You can contribute to your spouse's super if they are under age 65, whether they are working or not, however once your spouse turns 65 you are only able to contribute to their super if they have met the work test. That means that they have worked at least 40 hours in a period of not more than 30 consecutive days in that financial year.

Spouse contributions are non-concessional contributions, and count towards the receiving spouse's contribution cap.

If your spouse's income is under \$37,000, you may qualify for the full tax offset of \$540. If your spouse's income is between \$37,001 and \$40,000 then the offset will reduce.

Tax offset for spouse contributions

You may be able to claim an 18% tax offset on super contributions of up to \$3,000 you make on behalf of your spouse.

You may be entitled to a tax offset of up to \$540 each financial year if you meet all of the following:

- you did not claim a tax deduction for the contributions
- your spouse has not exceeded their non-concessional cap for the relevant year
- your spouse has a total super balance less than the general transfer balance cap (\$1.6 million for the 2018/2019 financial year) immediately before the start of the financial year in which the contribution is made
- both you and your spouse were Australian residents when the contributions were made
- at the time of making the contributions you and your spouse were not living separately and apart on a permanent basis
- the sum of your spouse's assessable income and total reportable fringe benefits for the financial year was less than \$40,000
- the contribution is made to a super fund. The fund must be a complying fund for the income year in which you make the contribution.

A spouse includes a person who, although not legally married to you, lives with you on a genuine domestic basis as your husband or wife. It does not include a person to whom you are married but who lives separately and apart from you on a permanent basis.

The offset will not be available until you complete your annual tax return.

There is no limit on the amount of money that you can invest in your spouse's super account, however, if you exceed the non-concessional contribution cap then tax may be payable on the contribution. While the tax offset is calculated on amounts of \$3,000 or less, you may contribute more than this if you wish. For more information, please refer to the 'Super Contributions' fact sheet under the Superannuation Financial Education Series.

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This document, including all tax and super calculations, has been prepared using legislation in place as at 1 July 2018.