What should I know about Spouse Contributions?

Spouse contributions were introduced as a way to encourage a working spouse to contribute towards their non-working spouse's super, and help them get below the Reasonable Benefits Limit. Although this limit has been abolished, spouse contributions are still an effective way for a couple to share their superannuation between them. And there are some tax benefits too.

Tax offset available

The tax rules provide for a tax offset of 18% on up to $3,000 of after-tax contributions made by your partner into your superannuation fund. The maximum tax offset is available where you earn less than $10,800 of assessable income plus reportable fringe benefits in a financial year. A partial offset may be available if you earn up to $13,800.

If your partner contributed $3,000 on your behalf, and you earn under $10,800, the maximum tax offset available is $540 (which comes off your partner's tax).

Spouse contribution limits

The maximum amount of spouse contributions which can be made tax free in any one year is $150,000.

The tax offset is limited to the first $3,000 of contributions.

The contributions will not be taxed in the fund and will be a tax-free component when they are drawn out of your superannuation.

Who can make contributions?

A partner can make contributions to superannuation on behalf of a spouse under the following conditions:

- The receiving spouse should be under age 65 (no employment requirement) or aged 65-69 and gainfully employed on at least a part time basis.
- The super account holder can be any age.
- The contribution should be made to a complying superannuation fund.
- You must both be Australian residents.
- The non-working spouse has to be an Australian tax payer.
- The contributions are treated as 'non-concessional contributions' and are preserved to the receiving spouse's preservation age.