Australian Government
Australian Taxation Office

Superannuation spouse contribution tax offset

A tax offset may apply if contributions are made on behalf of your spouse to a:

- complying super fund, or
- retirement savings account (RSA).

This tax offset applies to contributions made on behalf of non-working or low income-earning spouses, whether married or de facto.

You maybe able to claim an 18% tax offset on super contributions of up to $3,000 you make on behalf of your non-working or low income-earning spouse.

Eligibility

You may be entitled to a tax offset of up to $540 (maximum) each financial year if:

- you did not claim a tax deduction for the contributions
- 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, and
- the sum of your spouse's assessable income and total reportable fringe benefits amounts for the financial year was less than $13,800, and
- 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.

Assessable income

Your spouse's assessable income is the amount your spouse wrote at **total income or loss** in their tax return, unless they had:

- a distribution from a partnership or trust
- income or losses from rent or business (including personal services income)
- a capital gain
- foreign source income, or
- they claimed a deduction for the undeducted purchase price of a pension or annuity.

If any of these applied to your spouse, phone us on **13 10 20** for help in determining your spouse's assessable income.

Calculating the offset

The tax offset is calculated as 18% of the **lesser** of:

- $3,000, reduced by $1 for every $1 where the sum of your spouse's assessable income and total reportable fringe benefits amounts for the year was more than $10,800, or
- the total of your contributions for your spouse for the year.

If your spouse's assessable income and total reportable fringe benefits amounts is $10,800 or less then:

Step	**Action**
	Use the lesser of: • $3,000, or • the amount of contributions paid.
	Multiply this by 18%.
	Round up to the nearest whole dollar.

If your spouse's assessable income and total reportable fringe benefits are between $10,800 and $13,800 then:

Step	**Action**
1	Subtract $10,800 from your spouse’s total assessable income and reportable fringe benefits.
2	Take the amount calculated at step 1 away from $3,000.
3	Use the lesser of: • the result at Step 2, or • the amount of contributions paid.
4	Multiply this by 18%.
5	Round up to the nearest whole dollar.

Example

Bill and Tabitha are a de facto couple. Bill contributes $1,500 to a complying super fund for Tabitha during the year. Tabitha's assessable income and reportable fringe benefits for the year are $12,800.

Step	**Action**	**Result**
1	Subtract $10,800 from Tabitha’s total assessable income and reportable fringe benefits, $12,800.	$2,000
2	Subtract $2,000 from $3,000.	$1,000

3	13. the lesser of: • the result at 2 ($1,000) • the amount actually contributed ($1,500) by 18%.	$1,000
4	Multiply the amount in step 3 (result column) by 18%.	The claimable offset is $180.

Claiming the offset

You claim the tax offset through your tax return.

Common questions

How is my spouse's superannuation taxed?

Contributions you make on behalf of your eligible spouse into your spouse's super are treated as 'non-concessional contributions' in the complying super fund or retirement savings account (RSA). This means that they are not subject to the tax that applies to assessable super contributions. Therefore, the full value of the contribution is invested for your spouse's retirement.

When contributions are eligible to be withdrawn from your spouse's super fund or RSA on retirement, they form part of the **tax free** component**.** They are not included in your spouse's assessable income and are therefore tax-free.

What if I had more than one spouse during the income year?

If you had more than one spouse during the income year, and you satisfy the conditions for the tax offset for more than one spouse, you can claim the lesser of the:

- sum of the tax offset entitlements for each spouse, or
- maximum tax offset amount ($540).

Can my spouse withdraw the money at any time?

No. There are conditions on when your spouse can withdraw their super. Generally low-income earning spouses cannot withdraw from the fund or RSA until they reach preservation age (55 to 60) or retire (generally age 65).

Your non-working spouse must meet a condition of release in order to access their super. Superannuation can be withdrawn from the fund or RSA early on death, permanent disability, severe financial hardship or on compassionate grounds (this is applied for directly with APRA).

If my spouse chooses to rollover all or part of their tax free component, will the money stay tax free in the new fund once it has been rolled over?

Yes, when rolled over, the tax-free component retains its identity and remains a tax-free component in the new fund that receives the rollover.

Is there a limit on the amount that I can contribute on behalf of my spouse?

No. There is no limit on the amount of money that you can invest in your spouse's super account. While the tax offset is calculated on amounts of $3,000 or less, you may contribute more than this if you wish. Spouse contributions are non-concessional contributions and as such are subject to the non-concessional contributions cap.

For more information on contribution caps, refer to Too much super can mean extra tax.

Can I claim the tax offset for contributions I split from my super account to my spouse's super account?

No. You cannot claim the spouse super contribution tax offset for contributions split to your spouse’s super, as the amount split to your spouse’s super is a contributions-splitting amount – that is, a roll over/transfer – not a contribution. Spouse contributions are non-concessional contributions and as such are subject to the non-concessional contributions cap.

For more information on contribution caps, refer to Too much super can mean extra tax.

What to do / read next

For more information about spouse super contribution tax offset, refer to:

- *Superannuation for couples and families* (NAT 8133), and
- *Women and superannuation – taking control of your future* (NAT 15918).

To obtain a copy of our publications or for more information:

- phone our publications distribution service on **1300 720 092**, or
- phone **13 10 20**.

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