

# CONTRIBUTION SPLITTING INFORMATION SHEET & FAQ

2025/26 Financial Year

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## Information sheet

### *Introduction*

In broad terms, contribution splitting is the process by which an amount is transferred from the superannuation account of the member to the superannuation account of the member's spouse. As a result of the transfer, the member's account has been reduced by the amount transferred ("the allocated amount") and the spouse's account has been increased by the allocated amount.

### *How contribution splitting occurs*

The superannuation contribution determines the maximum amount which be transferred. While the term "contribution splitting" is used to describe the process, the member contributions are not treated as if all or part of the contributions are shared with the spouse or event treated as contributions of the spouse. The superannuation is the measure of the amount which can be allocated and not the source of the amount which is allocated – so the amount allocated need not be traced back to the contribution.

The process is initiated by the member making a request to the trustee. However, for contributions to be split, the governing rules of the superannuation fund applying to the fund must expressly permit contributions splitting.

Generally, contributions made in a financial year can only be split in the following financial year. In limited circumstances, contributions during a financial year can be split in the same financial year in which they are made.

### *What types of contributions can be split?*

A member can request the trustee to split certain types of contributions made by or on behalf of the member. The contributions which can be split (called "Taxed Splittable Contributions") are generally contributions made by the employer of the member (including salary sacrifice contributions) and personal contributions made by the member for which the member is claiming a tax deduction.

### *Maximum Portion of Contribution which can split*

Up to 85% of the amount of the Taxed Splittable Contributions can be subject to a splitting application.

Also, the amount allocated to the spouse cannot exceed:

- (a) the concessional contributions cap of the member; and
  - (b) 85% of the concessional contributions of the member,
- whichever is the lesser.

For contributions made in 2025/26 financial year, the normal concessional contributions cap of a member is \$30,000 (irrespective of age). Consequently, the maximum amount which can be allocated is \$25,500.

However, a member may have a concessional contributions cap greater than \$30,000 for 2025/26 as a result of not fully utilising the concessional contributions cap of one or more of the previous five financial years (namely 2019/20 to 2024/25).

If a member does have a concessional contribution cap greater than \$30,000 (due to the carry forward of unused concessional cap space) then the maximum amount which can be allocated is 85% of that greater concessional contributions cap.

#### *Age and Other Restrictions*

In order for a member to split their Taxed Splittable Contributions, no age condition applies to the member. However, the spouse of the member must either:

- be aged less than their preservation age; or
- attained their preservation age but are less than age 65 and not be retired.

It is not possible to split contributions if the spouse of the member has already attained age 65. Also, it is not possible to split contributions if the spouse has attained their preservation age and retired.

The age of the spouse and their retirement status is their age and retirement status as at the date of the application for splitting the contributions.

A member can only make one contribution splitting application in respect of each financial year in respect of a superannuation fund.

#### *Taxation Aspects of Contribution Splitting*

Contributions which are subject to a contributions splitting application are still counted against the concessional contribution cap of the member: they are not counted against the concessional contribution cap of the spouse. As the allocated amount arising from splitting of the member's contributions will form part of the superannuation interest of the spouse, the allocated amount will affect the total superannuation balance of the spouse rather than the member.

Contributions can only be split with the spouse of the member. Spouse means an individual who is the legally married spouse of the member: an individual who is in a relationship that is registered under certain state or territory laws (relating to registered or civil relationships) (including registered same-sex relationships) or an individual (whether of the same or different sex) who lives with the member on a genuine domestic basis in a relationship as a couple.

The individual who is to benefit from the contributions splitting application must be the spouse of the member at the date of the application: the individual need not be the spouse of the member at the time the contributions are made.

The allocation under the split can, but need not, be to an account of the spouse in the superannuation fund to which the contributions were made. This type of contribution split is an internal split.

If the allocation is to be another fund then the split is an external split. In the case of an external split, the allocation to the account of the spouse in the other fund must be processed as a benefit transfer in respect of the spouse and the allocated amount transferred by the SuperStream system.

#### **Frequently Asked Questions**

**Q1. What is contribution splitting?**

Essentially, contribution splitting is the means by which a member may allocate to their spouse up to 85% of the value of the member's concessional contributions in respect of a particular financial year.

The allocation occurs by debiting the member's super account with the allocated amount and crediting the spouse's super account with the allocated amount.

**Q2. Why split contributions?**

Contribution splitting was introduced to permit spouses to reduce the imbalance between their super benefits and even to equalise their super benefits. Equalisation provides significant tax advantages in the "*Fair and Sustainable*" superannuation regime which applies from 1 July 2017 (as each member will have their own transfer balance cap. From 1 July 2025, all individuals will have a personal transfer balance cap between \$1.6m and \$2m. (due to the effect of indexation of the cap). Members (or their tax agents) may view their personal transfer balance cap in ATO online.

In particular, as each spouse has their own transfer balance cap (and the superannuation balance in excess of transfer balance cap of one spouse cannot simply be transferred to the other spouse) ensuring that each spouse fully utilises their respective transfer balance caps is a key superannuation planning issue under the "*Fair and Sustainable*" superannuation regime. Contribution splitting is one means of ensuring maximum utilisation of the transfer balance cap.

Other benefits of contribution splitting is to transfer value from the member to an older spouse who may be entitled to access the transferred value before the member could.

**Q3. What types of contributions can be split?**

In the case of taxed superannuation funds (such as SMSFs, retail funds, industry funds – but not Government funds), only concessional contributions can be split. Concessional contributions include employer contributions for the member (whether Super Guarantee (SG) contributions, contributions in excess of the SG level and salary sacrifice contributions) and a member's own contributions (if they are entitled to claim and have claimed a tax deduction for their contributions).

The following types of contributions cannot be split:

- (a) non-concessional contributions – including CGT non-concessional contributions, personal injury non-concessional contributions and downsizer contributions;
- (b) rolled-over superannuation benefits (ie amounts received from other superannuation funds);
- (c) amounts which have been allocated to a member as a result of contributions splitting; and
- (d) Government contributions.

**Q4. What is the maximum amount of contributions which can be split?**

The maximum amount is 85% of the concessional contributions. However, this maximum amount cannot exceed 85% of the relevant concessional contributions cap for the member for the financial year in which the contributions have been made. For 2025/26 the concessional contributions cap of a member will generally be \$30,000 (irrespective of age). However, a member may have a greater concessional contributions cap due to the effect of unused concessional contributions cap for previous financial years ((i.e. being a financial year commencing on or after 1 July 2019).

**Q5. What is an example of contribution splitting?**

Bill's employer makes \$20,000 contributions for Bill during 2025/26. After 1 July 2026, Bill decides to "split" his employer contributions with his wife, Jenny. He decides to split the entire \$20,000 with Jenny. Bill's concessional contributions cap for 2025/26 is \$30,000.

Bill completes and submits the necessary forms to the trustee on 1 August 2026. The trustee accepts the splitting request and debits Bill's account with \$17,000 (ie 85% of \$20,000) and credits Jenny's account with \$17,000. While the contributions to be split were made during the 2025/26 financial year, the actual splitting occurs in the following financial year.

The amount allocated to Jenny's account is \$17,000. The balance of \$3,000 (15% of \$20,000) cannot be allocated as this amount represents the presumptive tax liability of the trustee arising upon receipt of the \$20,000.

If the employer had contributed \$40,000 for Bill during the 2025/26 financial year (and Bill had no other concessional contributions for that year), the maximum amount which could be allocated to Jenny is still \$25,500 (being 85% of Bill's concessional contributions cap of \$30,000 for 2025/26 financial year).

If Bill instead had a concessional contributions cap of \$45,000 (due to the carry forward of unused concessional contributions cap from previous financial years) – then the maximum amount which could be allocated to Jenny is \$38,250 (85% of \$45,000). However, as Bill's concessional contributions for the financial year are \$40,000, the maximum amount which can be allocated to Jenny is limited to \$34,000 (being 85% of \$40,000).

It is irrelevant that the amount allocated to Jenny – being \$34,000 - exceeds her concessional contribution cap for the 2025/26 financial year. The allocated amount is not a concessional contribution for Jenny and so her concessional contribution cap is irrelevant. The allocated amount is neither treated as a concessional contribution nor as a non-concessional contribution in respect of Jenny in respect of the financial year in which the amount was allocated.

**Q6 Does contribution splitting occur on a fund-by-fund basis?**

In short, yes. A member can split the contributions made to a particular fund and need not split contributions made to another fund.

**Q7. Must the Member and the Spouse be in the same super fund for contribution splitting?**

No. The member and the spouse need not be in the same fund. The member, Bill, could contribution split contributions made to Bill's SMSF with his spouse, Jenny, receiving the allocated amount as a rollover to Jenny's SMSF.

The allocated amount can be rolled over to any superannuation account of Jenny's whether that account is held in Jenny's SMSF or in retail or industry fund.

**Q8. Can contributions only be split after the end of the financial year?**

Generally, contributions can only be split after the financial year has ended. Consequently, to split contributions made to a fund during the 2025/26 financial year, the splitting would occur after the end of the financial year and be implemented during the 2026/27 financial year. Splitting of contributions must occur in financial year the immediately following financial year in which the contributions were made.

However, there is an exception. Contributions made during a financial year can be split during that year, so long as the member requesting the split exits the fund after the splitting request has been implemented and before the end of that financial year.

**Q9. Can contributions made in an earlier financial year be split?**

Contributions made in a financial year must be split either in the financial year in which they are made or in the immediately following financial year. So contributions made in 2025/26 financial year must be split during the 2025/26 financial year (if the member also exits the fund before the end of the financial year) or in the 2026/27 financial year. Contributions made in the 2023/24 financial year cannot be split in the 2025/26 financial year or a later financial year.

**Q10. Is there any age limit for a member to split their contributions?**

No. The member can be any age to split their splittable contributions.

**Q11. Are there conditions which the spouse of the member must satisfy?**

Yes, there are some conditions. These conditions must be satisfied at the time the contributions splitting application is submitted to the trustee:

- (a) first, the spouse must be the spouse of the member;
- (b) second, the spouse cannot be 65 or more;
- (c) third, if the spouse is aged between their preservation age and 65, the spouse must not have satisfied the retirement release condition.

There is no requirement that the member have a spouse at the time the splittable contributions have been made. However, at the time the application is submitted to the trustee, the member must have a spouse who satisfies the above conditions.

**Q12. Are the contributions which are to be split counted against the contributions cap of the member or the spouse?**

The contributions which are subject to contributions splitting are counted against the concessional contribution cap of the member; they are not counted against the concessional contribution cap of the spouse.

The amount which is allocated to the spouse's account is a superannuation rollover for the spouse and not a contribution for the spouse.

**Q13. Must the spouse have contribution cap space?**

As the amount allocated to the spouse under a contribution split is a superannuation rollover (and not a contribution) the allocated amount does not affect the concessional contributions cap of the spouse. Consequently, whether the spouse has concessional contribution cap space is irrelevant.

Additionally, as the amount allocated to the spouse under a contribution split is treated as a rollover superannuation benefit of the spouse, whether the spouse any non-concessional contribution space is also is irrelevant.

**Q14. Are the splittable contributions included in the total superannuation balance of the member or of the spouse?**

Once the splittable contributions are allocated to the member's account, they will affect the total superannuation balance of the member.

Once the allocation is made to the spouse, the allocated amount will be included in the total superannuation balance of the spouse. As an amount has been debited to the members' account, the debit will reduce the total superannuation balance of the member.

**Q15. Does the allocated amount form part of the taxed or taxable component of the spouse's benefit?**

The allocated amount is treated as entirely consisting of taxable component and so will form part of the taxable component of the spouse's benefit.

**Q16. Can either the member or the spouse claim a tax deduction for the allocated amount?**

No, neither can claim a tax deduction.

**Q17. Is the allocated amount subject to preservation?**

Yes. The allocated amounts will form part of the preserved benefits of the spouse.

**Q18. What are the provisions of the SIS Regulations which govern contribution splitting?**

SIS Regulations 6.44 and 6.45 are the operative provisions governing the validity of contributions splitting applications.

**Q19. How does the Trust Deed or Governing Rules affect contribution splitting?**

The trust deed or governing rules of the superannuation fund must expressly authorise the trustee to implement spouse contribution splitting.

SUPERCentral Governing Rules or Townsends Business & Corporate Lawyers Governing Rules (both the Governing Rules)

Rule 8.1 of the Governing Rules permits a member to request (by completing and submitting a contributions splitting application) that their contributions be split.

Rules 8.2 and 8.4 of the Governing Rules authorises the trustee to implement a valid contributions splitting application.

Rule 12.17(d) of the Governing Rules permits the trustee to adjust member accounts to reflect the implementation of a contributions splitting application and Rule 12.9(b)(ii) permits the trustee to credit any contribution splitting amount for the spouse of the member.

**Q20. Can contributions be split if the member has commenced a pension or been transferred to another super fund?**

There is no express requirement that contributions splitting cannot occur if the member has commenced a pension or a rollover has occurred.

Whether contributions-splitting can occur depends entirely on whether the member has sufficient accumulation balance from which the allocated amount can be drawn. If there is a sufficient accumulation balance, then it is irrelevant whether the member has commenced a pension or transfer an amount to another fund or even if that balance is derived from non-splittable contributions made during the current financial year.

If the member has only a pension balance, the member could roll back a sufficient portion of the pension to create an accumulation balance with a sufficient balance to support a contribution-splitting request and then initiate the contribution splitting process.

**Q21. What is the tax treatment of allocated amount”?**

The amount credited to the superannuation account of the spouse is treated as a contributions-splitting superannuation benefit. This amount is not treated as a contribution for the purposes of the contribution caps of the spouse and is not an assessable contribution of the superannuation fund.

**Q22. Can “contribution splitting” be done without using the ATO forms?**

In short no. Unless the correct procedure and forms completed and submitted to the trustee, the transfer of an amount from the member’s account (even if requested by the member) and to the spouse’s account will, in general, amount to a contravention of the preservation standards and also the benefit payment payments standards.



**Q23. What is the difference between “contribution splitting” and “spouse contributions”?**

Spouse contributions are contributions made by a member for their spouse. The contributions are accepted by the trustee of the fund as being made for the spouse. These contributions are counted against the non-concessional contribution cap of the spouse.

Contribution splitting occurs when certain contributions are made by or for the member and then are allocated by the trustee from the member's account in the fund to the superannuation account of the spouse. These contributions are counted against the concessional contribution cap of the member.

Please contact us with any queries or requests for further information.

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