



Monthly Information Newsletter – Tax & Super

February 2020

Superannuation tax offsets you may be able to use

Tax offsets (sometimes referred to as rebates) directly reduce the amount of tax payable on your taxable income. In general, offsets can reduce your tax payable to zero, but on their own they can't get you a refund.

There are two superannuation-related tax offsets for which you may be eligible. The Australian super income stream tax offset, and a tax offset for super contributions made on behalf of your spouse.

Australian super income stream tax offset

If you receive income from an Australian super income stream, you may be eligible for a tax offset equal to:

- 15% of the taxed element
- 10% of the untaxed element.

The tax offset amount available to you on your taxed element will be shown on your payment summary. However, there is now a limit on the amount of tax offset you're entitled to on your untaxed element. This is generally limited to \$10,000 and will not be shown on your payment summary.

You may be entitled to a tax offset on your untaxed element, and we can help you work this out by accessing the ATO's defined benefit income cap calculation tool.

You're not entitled to a tax offset for the taxed element of any super income stream you receive before you reach your preservation age, unless the super income stream is either a:

- disability super benefit
- death benefit income stream.

You're not entitled to a tax offset for the untaxed element of any super income stream you receive before you turn 60 years old *unless*:

- the super income stream is a death benefit income stream
- the deceased died after they turned 60 years old.

Tax offset for super contributions on behalf of your spouse

If you make contributions to a complying super fund or a retirement savings account (RSA) on behalf of your spouse (married or de facto) who is earning a low income or not working, you may be able to claim a tax offset.

You can claim the maximum tax offset of \$540 if:

- you contribute to the eligible super fund of your spouse, whether married or de-facto, and
- your spouse's income is \$37,000 or less.

The tax offset amount reduces when your spouse's income is greater than \$37,000 and completely phases out when your spouse's income reaches \$40,000.

You will be entitled to a tax offset of *up to* \$540 per year if you meet all of the following conditions:

- For income years prior to 2017-18, the sum of your spouse's assessable income, total reportable fringe benefit amounts and reportable employer super contributions was less than \$13,800.
- For 2017-18 the sum of your spouse's assessable income, total reportable fringe benefit amounts and reportable employer super contributions was less than \$40,000 and the contributions were not deductible to you.
- For 2018-19 and later income years, the sum of your spouse's assessable income (disregarding your spouse's First Home Super Saver scheme released amount for the income year), total reportable fringe benefit amounts and reportable employer superannuation contributions was less than \$40,000 and the contributions were not deductible to you.
- The contributions were made to a super fund that was a complying super fund for the income year in which you made the contribution.
- Both you and your spouse were Australian residents when the contributions were made.

- When making the contributions you and your spouse were not living separately and apart on a permanent basis.
- For 2017-18 and later income years, your spouse had not exceeded their non-concessional contributions cap for the relevant year or had a total super balance equal to or exceeding the transfer balance cap immediately before the start of the financial year in which the contribution was made (the general transfer balance cap for 2018-19 is \$1.6 million).

The tax offset for eligible spouse contributions can't be claimed for super contributions that you made to your own fund, then split to your spouse. That is called a rollover or transfer, not a contribution.

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