



# Spouse contributions

## What are spouse contributions?

Spouse contributions are contributions you can make to MilitarySuper for your spouse. Your spouse will become a beneficiary of MilitarySuper and his or her contributions will be kept in a separate account.

Once you have made these contributions, the benefit belongs to your spouse and will be payable to him or her. You no longer have any right to this benefit.

Your spouse will also be able to choose any of the investment choices and switch between options at any time.

No tax is payable on these contributions on entry to the Fund as these contributions are paid from your after tax salary.

You and your spouse need to be aware of the contribution limits.

## Who is a spouse?

To be eligible to receive spouse contributions, your spouse must be a person who shares a marital or couple relationship with you.

A marital or couple relationship exists if you have been living together as husband, wife, or partner on a permanent and bona fide domestic basis for a continuous period of at least three years.

If the period is less than three years, Commonwealth Superannuation Corporation (CSC) will need to consider evidence to determine if spouse contributions can be received.

This includes, but is not limited to, evidence establishing any of the following:

- your spouse is wholly or substantially dependent on you
- you are legally married
- you are in a relationship that was registered under a law of a State or Territory as a prescribed type of relationship
- you have a child born of the relationship or adopted during the relationship

## Who is eligible to make spouse contributions?

To be able to make spouse contributions you must be a current contributing MilitarySuper member. You cannot make spouse contributions if you are a Preserved Benefit member.



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- you have a child of both of you within the meaning of the *Family Law Act 1975*\*
- you jointly own a home which is your usual residence.

\* The meaning of child in the *Family Law Act 1975* includes children:

- born to a woman as the result of an artificial conception procedure while that woman was married to, or was a de facto partner of, another person (whether of the same or opposite sex)
- who are children of a person because of an order of a State or Territory court made under a State or Territory law prescribed for the purposes of section 60HB of the *Family Law Act 1975*, giving effect to a surrogacy agreement.

## What does my spouse receive?

Your spouse will receive a benefit, only payable as a lump sum, not as a pension.

The benefit comprises the contributions you paid and MilitarySuper Fund investment returns.

Investment returns may be negative from time to time and as a consequence the value of the benefit will rise and fall. It is therefore possible that the benefit might be less than the amount you contributed, particularly over a shorter term.

The benefit is subject to tax when it becomes payable, at the same concessional rates that apply to other superannuation benefits.

## How do I pay?

You will need to register your intention to pay spouse contributions by completing an **Application to Pay Spouse Contributions** form (MAC03).

This form provides:

- information required to determine the eligibility of your spouse
- identification and contact details of your spouse
- an opportunity for your spouse to quote his/her Tax File Number.

We will advise you and your spouse if spouse contributions can be accepted.

If so, you can either:

- make arrangements with your Pay Unit to start deductions from your salary, or
- pay them direct to MilitarySuper by cheque or money order. Each contribution must be accompanied by a **Spouse Contributions – Deposit** form (MAC04).

Further details are available on the **MAC04** form.

When you pay contributions by this method you will be required to supply identification on the first occasion.

You will be advised if your spouse is not eligible to receive spouse contributions.

## Contribution Limit

There is a cap on the amount of non-concessional contributions you can make without incurring additional tax across all your superannuation Funds.

Your non-concessional contributions up to the caps can be paid in tax free. Contributions above this cap will be taxed at the top marginal tax rate (plus Medicare levy). If you are approaching your non-concessional contributions cap you will also need to take into account that it is compulsory for you to continue to make Member contributions at the rate of 5% (unless you have reached your Maximum Benefit Limit). Non-concessional contributions made to a spouse account will be counted towards the recipient spouse's contribution cap.

If you contribute over the cap the Australian Tax Office (ATO) will advise you of your options.

Further information about contribution caps is available from the ATO website [ato.gov.au](http://ato.gov.au)

## How are spouse contributions invested?

Your spouse, not you, has a choice of four investment options. Your spouse can invest in one or a combination of these options and can even have a different option for existing contributions and future contributions.

Initially, these contributions will be invested in the 'Default' option which is the Balanced option.

Your spouse can switch to another strategy at any time, free of charge, using the **Member Investment Choice** form (MIC1). CSC may introduce a fee to switch investment strategies in the future but your spouse will be notified in advance if this happens.

You should refer your spouse to the **MilitarySuper Product Disclosure Statement (PDS)** before considering investment choices. Your spouse may also wish to consult a licensed professional, such as a financial planner, solicitor or accountant, to determine which options best suit his or her personal circumstances.

## When can my spouse receive the benefit?

Generally, the benefit cannot be paid until your spouse permanently retires from the workforce after reaching his or her preservation age. Payment is not related to the payment of your MilitarySuper benefit in any way.

Preservation age is based on date of birth, as shown in the following table:

Date of birth	Preservation age
Before 1 July 1960	55
1 July 1960—30 June 1961	56
1 July 1961—30 June 1962	57
1 July 1962—30 June 1963	58
1 July 1963—30 June 1964	59
After 30 June 1964	60

All or part of the benefit may be paid earlier:

- if your spouse becomes totally and permanently incapacitated
- on severe financial hardship grounds
- on compassionate grounds.

It can also be claimed when your spouse ceases or changes employment after reaching age 60. The benefit must be paid out of MilitarySuper on reaching age 65.

In the event of your spouse's death, the benefit will be paid to:

- your spouse's eligible dependants or in the absence of such person(s)
- a dependent person(s) your spouse nominated in writing and included in his or her Will

or

- your spouse's estate.

## Can my spouse rollover the benefit?

Yes, the benefit can be rolled over at any time. Note that access to the benefit from the rollover institution will be subject to the same preservation conditions as outlined above.

## What happens if we split up?

The benefit belongs to your spouse, regardless of whether he or she ceases to be your spouse. If this happens you would not be able to continue paying spouse contributions.

## What else could I pay?

Spouse contributions are one of a range of voluntary contributions (collectively called 'ancillary contributions') you can pay. Separate factsheets are also available for:

- Additional Personal Contributions
- Transfer Amounts
- Salary Sacrifice Contributions.

## Does this count towards my Maximum Benefit Limit (MBL)?

It should be noted that none of the various Ancillary Benefits are used when assessing the MBL under the MilitarySuper legislation.

## Where can I obtain the PDS and forms?

The PDS and forms referred to in this factsheet are available on our [csc.gov.au](http://csc.gov.au) website.

## How can I get more information?



**EMAIL** [members@enq.militarysuper.gov.au](mailto:members@enq.militarysuper.gov.au)

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