



NEW SUPER SPLITTING REGULATIONS

The Government's new super splitting changes came into effect on 1 January 2006.

The new regulations allow certain superannuation contributions to be split with a spouse. In summary:

1. Only contributions made after 1 January 2006 may be split.
2. A member may elect to split up to 85% of deductible contributions and up to 100% of undeducted contributions with their spouse.
3. A spouse includes a genuine de facto, but excludes same-sex couples.
4. If the spouse is over age 55 years and retired, or over age 65 years, they can't receive a contributions split.
5. The split is a once-per-year event. The Trustee rolls over, transfers or allots the contributions to the spouse's account. There appears to be no need for the spouse to become a member of the fund in order to receive the split, as they can be transferred out to another fund.
6. The trustees must develop their own splitting application form. The regulations only require that the form enable sufficient identification of the member and spouse, the amount of contributions to be split (and whether they are deductible or undeducted) and the year to which the splitting application applies.
7. The member can either wait until after the end of the year and nominate the amount to be split (in which case the actual splitting occurs in the year after the contributions have been made), or they can nominate the split during a year so long as the split is for 100% of the splittable contributions in that year.
8. It is voluntary for funds to offer splitting.

The ACIS trust deed has now been updated to include these changes. ACIS deeds which pre-date the changes do *not* need to be upgraded for these changes. The "catch-all" clause contained in Rule 12.9 will be sufficient to allow trustees of these funds to participate in the splitting regime. However, we maintain our recommendation that any trust deeds or upgraded trust deeds which are more than 3 years old should be reviewed and upgraded in any event.

Should you have any queries with respect to this matter, please contact us on 1-800-773-477.