

## CONTRIBUTIONS FOR FAMILY MEMBERS

### Overview

The Federal Government offers an incentive in the form of a tax rebate to people who have either a non-working spouse or a low income earning spouse. The benefit is payable once you lodge your income tax return. A tax offset reduces the amount of tax you pay on your taxable income. The incentive is called the spouse rebate is set at a fixed rate of 18% of the contribution made on behalf of the spouse up to a maximum contribution of \$3,000. The contributions are reduced once your spouse earns over a certain threshold.

### Eligibility Criteria

1. You have a spouse in the relevant year.
2. You are both Australian residents in the relevant year.
3. The total income of your spouse is less than \$13,800 for the relevant year.

### Requirements

A spouse can be either a legal or de facto spouse but does not include a person who lives separately and apart from you on a permanent basis.

If you have a spouse for only a portion of the financial year then the rebate is apportioned accordingly.

### Examples

Sally has a non-working spouse and makes a \$3,000 contribution to an eligible super fund on behalf of her spouse. As her spouse has no income she is entitled to a \$540 tax rebate.

Tom's spouse works part-time. During the relevant year her total income was \$12,800. Tom made a \$3,000 contribution to her fund and is entitled to a rebate which is the lesser amount calculated as follows:

$18\% \times [\$3000 - (12800 - 10800)]$  or

$18\% \times$  actual contributions.

The amounts calculated are \$180 and \$540 respectively; therefore, the rebate Tom is entitled to is \$180.