

Contributions Splitting Policy

ACCEPTANCE AND REJECTION
OF APPLICATIONS | UPDATED JUNE 2011



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1 Overview

1.1 Background

The Superannuation Industry (Supervision) Regulations 1994 (Regulations) facilitate the splitting of superannuation contributions between a member of a superannuation fund and their Spouse (Contributions Splitting).

The Regulations permit members of superannuation funds to split certain superannuation contributions to their Spouse's superannuation account.

Contributions Splitting works according to an 'annual split' model. The process requires the member to submit an application to the trustee of the member's superannuation fund requesting the split. Generally, this application is limited to contributions made in the previous Financial Year and does not extend to other superannuation benefits.

A member can request a trustee to split contributions made in a current Financial Year where their remaining benefit is to be cashed or rolled over before the end of the Financial Year.

The splitting of contributions from the 'splitting spouse' to the 'receiving spouse' will be treated as a 'Contributions-splitting superannuation benefit'. A 'Contributions-splitting superannuation benefit' may be allotted to an account within the same fund, or alternatively transferred or rolled over to another fund.

Contributions Splitting is an entirely voluntary regime which a trustee can determine to provide or not or to provide, subject to certain limitations or restrictions. OnePath Custodians has decided to offer Contributions Splitting subject to the restrictions set out in this Policy.

1.2 Purpose

The purpose of this Policy is to set out the circumstances in which and conditions on which the Trustee will accept or reject a contributions splitting application from a member.

1.3 Adopted by the Trustee

The creation of this Policy was approved by the Trustee on 26 April 2006 and amended on 27 June 2011. The Trustee will review and amend the terms of the Policy if it considers it is appropriate in light of:

- (a) changes in Relevant Law;
- (b) addition of Fund Products;
- (c) any relevant amendments to the Trust Deed.

1.4 Relationship to other procedures and policies

This Policy is independent and need not be read with any other policy.

1.5 Definitions

“Accept” means the date on which an Application has been received and the Trustee has decided to give effect to the splitting request.

“Application” means a contributions splitting application completed by a member of the Fund.

“Current Financial Year” means the Financial Year in which the Application is made, signed and dated.

“Defined Benefit Component” means a component of the interest in which the benefits are defined by reference to one (1) or more of the following

- (a) the amount of:
 - (i) the member’s salary at the date of the termination of the member’s employment, the date of the member’s retirement, or another date; or
 - (ii) the member’s salary averaged over a period; or
 - (iii) salary, or allowance in the nature of salary, payable to another person (for example, a judicial officer, a member of the Commonwealth or a State Parliament, a member of the Legislative Assembly of a Territory);
- (b) a specified amount;
- (c) specified conversion factors.

A component of a superannuation interest is not a defined benefit component if the only benefits defined by reference to any of the amounts or factors mentioned above are benefits payable on death or disability.

“Financial Year” means the year ending 30 June each year.

“Fund” means the OnePath MasterFund.

“Fund Product” means a product within the Fund.

“Maximum Splittable Amount” means an amount not exceeding the lesser of the concessional contributions cap or eighty five percent (85%) of a Taxed Splittable Contribution, after the deduction of all applicable fees, charges, tax liabilities and any amount required to be held as a minimum account balance in the Fund Product.

“Minimum Withdrawal Amount” means the minimum amount that is permitted to be withdrawn or switched from a Fund Product as determined by the Trustee from time to time.

“Policy” means this policy, as amended from time to time.

“Preservation age” means:

- (a) if you were born before 1 July 1960 — 55 years; or
- (b) if you were born between 1 July 1960 to 30 June 1961 — 56 years; or
- (c) if you were born between 1 July 1961 to 30 June 1962 — 57 years; or
- (d) if you were born between 1 July 1962 to 30 June 1963 — 58 years; or
- (e) if you were born between 1 July 1963 to 30 June 1964 — 59 years; or
- (f) if you were born after 30 June 1964 — 60 years

“Relevant Financial Year” means the year to which a valid Application relates.

“Relevant Information” means any completed information required by Relevant Law or the Trustee, as determined by the Trustee from time to time, to be provided to the Trustee.

“Relevant Law” means the *Superannuation Industry (Supervision) Act 1993*, *Corporations Act 2001*, *Income Tax (Assessment) Act 1936*, the *Income Tax (Assessment) Act 1997* and any statute dealing with contributions splitting, including any associated regulations, determinations, rulings, interpretative determinations and guidelines issued by any regulator.

“Retired” means:

- (a) in the case of a person who has reached a preservation age that is less than 60 – if:
 - (i) an arrangement under which the person was gainfully employed has come to an end; and
 - (ii) the Trustee is reasonably satisfied that the person intends never again to be gainfully employed for at least 10 hours or more in any week ; or
- (b) in the case of a person who has attained age 60 — an arrangement under which the person was gainfully employed has come to an end on or after the person’s 60th birthday.

“Spouse” in relation to a person, includes another person who, although not legally married to the person, lives with the person on a genuine domestic basis in a relationship as a couple (spouse includes same sex partners).

“Taxed Splittable Contributions” refers to:

- (a) any contributions your employer made for you (your before-tax contributions), including any salary sacrifice contributions or
- (b) any personal contributions you made for yourself and have advised your super fund that you will claim a tax deduction.

“Trustee” means OnePath Custodians Pty Limited (ABN 12 008 508 496, AFSL 238346, RSE L0000673) or any successor.

“Trust Deed” means the trust deed for the Fund 1 September 1992, as amended from time to time.

1.6 Interpretation

Unless the contrary intention appears, where a term used in this Policy is defined in the Relevant Law, it has the meaning assigned to that term in the Relevant Law.

1.7 Availability

A hard copy of this Policy is available to members free of charge on request.

2 Conditions and restrictions

2.1 Acceptance of an Application

- 2.1.1 The Trustee will accept an Application only where all Relevant Information has been received by the Trustee and the Trustee has not rejected the Application under the terms of this Policy.
- 2.1.2 The Trustee will only accept an Application if the Application complies with Relevant Law and meets any additional conditions in this Policy.
- 2.1.3 The Trustee will only accept an Application in the following circumstances:
- (a) an Application is received by the Trustee requesting a split of contributions made in the previous Financial Year; or
 - (b) an Application is received by the Trustee requesting a split of contributions made in the same Financial Year, but only in circumstances where all of the applicant's benefits (other than the contributions that are subject to the Application) are to be rolled over, transferred or cashed out of the Fund.
 - (c) subject to the Relevant Law and notwithstanding anything in paragraph 2.2, any other circumstances the Trustee determines at its absolute discretion to be a ground for acceptance.
- 2.1.4 If a member nominates a taxed splittable contribution amount (either a percentage or a dollar amount) which is greater than the maximum amount permitted to be split, the member will have taken to have nominated, and the Trustee will split, an amount equal to the maximum splittable contribution amount.

2.2 Rejection of an Application

- 2.2.1 The Trustee will reject an Application when the Application fails to comply with Relevant Law or this Policy.
- 2.2.2 The Trustee will reject an Application where a member's interest in the Fund is subject to a payment split under Part VIII B of the *Family Law Act 1975*.
- 2.2.3 The Trustee will reject an Application where a member's interest in the Fund is a Defined Benefit Component.
- 2.2.4 The Trustee will reject an Application when it is invalid. An Application will be invalid where:
- (a) in the Financial Year in which the Application is made:
 - (i) the member has already made an Application in respect of a Relevant Financial Year; and
 - (ii) the Trustee is considering the previous Application or has given effect to that previous Application; or
 - (b) the Application seeks to split contributions made in the previous ending Financial Year and the Trustee has not received the Application during the Current Financial Year; or
 - (c) the Application seeks to split contributions made in a Financial Year, the Trustee has not received the Application during the Current Financial Year or the Financial Year that immediately follows; or
 - (d) subject to sub-paragraph 2.2.4(e) the member's Spouse is:
 - (i) aged 65 years or more; or
 - (ii) aged between the relevant preservation age and 65 years and is Retired at the time the Application was made.

- (e) an Application is not invalid under sub-paragraph 2.2.4(d) if the Application includes a statement by the member's Spouse to the effect that the Spouse:
 - (i) is aged less than the relevant preservation age; or
 - (ii) both:
 - (A) is aged between the relevant preservation age and 65 years; and
 - (B) is not Retired at the time an Application was made;and the Trustee has no reason to believe a statement under this sub-paragraph 2.2.4(e) to be untrue.

- 2.2.5 The Trustee will reject an Application when the Application fails to specify the amount or percentage of the benefit from the member's taxed splittable contributions that the member seeks to split.
- 2.2.6 The Trustee will reject an Application if an Application requests a splittable contribution to be rolled over or transferred to more than one superannuation fund or Fund Product.
- 2.2.7 The Trustee will reject an Application if an Application requests splittable contributions to be split from multiple accounts in a Fund Product.
- 2.2.8 The Trustee will reject an Application if an Application would reduce a member's account balance to below the minimum amount required to be held in the Fund Product as determined by the Trustee from time to time.
- 2.2.9 The Trustee will reject an Application if an Application relates to splittable contributions rolled or transferred into the Fund from an external superannuation arrangement.
- 2.2.10 The Trustee will reject an Application where the splittable contributions to be split are less than the Minimum Withdrawal Amount.

- 2.2.11 The Trustee will reject an Application where the Application has not yet been accepted and the Trustee has been formally notified in writing that the member has died.
- 2.2.12 The Trustee will reject an Application if in any other circumstances the Trustee determines at its absolute discretion to be a ground for refusal.

3 Other Procedures

Notwithstanding anything in sections 1 and 2 of the Policy the Trustee will implement procedures when giving effect to an Application. These procedures include, but are not limited to, the following:

1. Where a member lodges one or more Applications, each in respect of a Relevant Financial Year, the Trustee will accept and process any Application or notice of intent to claim a deduction in the following order:
 - (a) any notice of intent to claim a deduction for a Financial Year except the Current Financial Year;
 - (b) the Application for the previous Financial Year;
 - (c) the notice of intent to claim a deduction for the Current Financial Year; then
 - (d) the Application for the Current Financial Year.
2. Where a member dies after the Trustee has accepted an Application but before any splittable contribution has been split, the Trustee will continue to process the contributions split payment.

Customer Services



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8.30am and 6.30pm (Sydney time)



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