More younger Australians are starting their own super fund amid a growing interest in super, says Andrea Slattery, chief executive of the Self-Managed Super Funds Professionals Association of Australia

Give your nest egg a split and polish

Anthony Keane

SPLITTING superannuation contributions is set to become popular as new rules make it tougher for people to grow their nest egg quickly.

Federal Government plans to halve the level of allowable salary sacrifice and other tax-deductible super contributions for many over-50s from July 1 mean super-savers should think about splitting, financial strategist Theo Marinis says.

The Marinis Financial Group managing director (pictured) says the new target should be to have your super balance at a similar level to your partner's.

The cap is being lowered from \$50,000 per year to \$25,000 per year for people with more than \$500,000 in super, and those who breach it face a tax penalty of at least 46.5 per cent.

While \$500,000 may seem like a huge number, Marinis says many pre-retirees are approaching that level and people in their 30s and 40s are likely to get there through long-term super growth.

"Few couples realise that there are potentially far greater benefits in having two super accounts of \$490,000 than one account of \$980,000," Marinis says.

"I started splitting last year because my wife has half the super I have got, and my super is a long way short of \$500,000.

"After the end of the financial year, contact your adviser or fund administrator. There's a form to nominate how much you want to split for the last financial year."

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