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SUMMER 2026
ISSUE 28

Could equalising your super balance with your spouse save you tax?

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Count Group

Could equalising your super balance with your spouse save you tax?

When one partner has a much larger super balance than the other, your tax bill as a couple could be higher than it needs to be, and you may also miss out on other benefits.

As time goes by, life experiences can result in one partner having a much higher super balance than the other. It could be that one spouse had time out of the paid workforce, or earns significantly more than the other, or works in a job that pays higher superannuation contributions.

Many couples assume that it doesn't matter whose name the super is held in. After all, they plan to share their finances in retirement. And while sticking with the gap might be the easy option, there are three things that could trip you up.

1. **The transfer balance cap of $2.1 million per person**
   There's a limit of $2.1 million[1] on the amount one person can transfer from their super into the tax-free pension drawdown phase. This means that any super above $2.1 million must stay in a super fund, where earnings are taxed at 15%, or be taken out of super entirely. It's in your interests as a couple to transfer as much money as possible into the tax-free pension phase. If your super is split evenly with your spouse, you may be able to transfer up to $4.2 million in combined super to the tax-free pension phase.

Additional tax on super balances above $3 million
If your super balance is $3 million or greater, Division 296 rules mean that an additional 15% tax is charged on your earnings on your super above $3 million[2] . If you equalise super balances with your spouse, it may be easier for you both to stay under the $3 million threshold.

2. **Centrelink**
   Two balanced accounts may improve Age Pension eligibility compared to one large account. For example, when the older partner reaches 67, the younger spouse's accumulation phase super balance isn't assessed until they themselves reach Age Pension age. And even if you don't plan to rely on the Age Pension, being eligible for the Pensioner Concession Card may bring valuable benefits.[3]

How to equalise your super with your spouse

The earlier you start, the easier it'll be to close any gap. This is because limits on the amount that can be contributed to super mean that closing a large gap takes time. We explain three ways to do so, but note, there can be risks to these strategies, not just benefits. Before you act, weigh the risks as well as the benefits with your adviser.

1. **Contribute to your spouse's super account**
   One approach is for the spouse with the smaller balance to make concessional (pre-tax) contributions to their own super up to their concessional contributions cap – which is $32,500 from July 2026.[4] Over and above that, after-tax (non-concessional) contributions can be made directly into the account of the spouse with the lower balance. The relevant limit here is the non-concessional contributions cap of $130,000, or $390,000 using the bring-forward provisions.[5] If the receiving spouse's annual income is below $40,000 the contributing spouse may also qualify for a tax offset.[6]

2. **Split your super contributions with your spouse**
   If you're the partner with the larger balance, then another way to address the gap is by transferring your contributions. Note that up to 85% of the concessional (pre-tax) contributions made to your super account could be transferred into your spouse's account.[7] These could be your employer's Super Guarantee contributions, your salary sacrifice contributions or your personal deductible contributions. There are some restrictions, such as only contributions made this or last financial year can be transferred, and the receiving spouse must be under age 60 or between ages 60 and 65 and not retired.

3. **Withdrawal and recontribution**
   If you've retired or reached age 65, you may be able to withdraw a lump sum from your super fund to give to your spouse as a non-concessional (after-tax) contribution. The non-concessional contribution made using this money could be up to $130,000 a year, or $390,000 using the bring-forward provisions. The giving spouse must have met a condition of release – such as being either aged 60 and retired, or aged 65, whether working or not. The receiving spouse must be younger than age 75.[8]

How your adviser can help

As always, you should seek personal advice before acting on articles such as this one. If there's a significant gap between your and your spouse's super balances, talk to your adviser about how you can maximise your retirement savings as a couple and avoid any unnecessary tax.

The advice provided is general advice only. In preparing it we did not take into account your investment objectives, financial situation or particular needs. Before making an investment decision on the basis of this advice, you should consider how appropriate the advice is to your particular investment needs, and objectives. You should also consider the relevant Product Disclosure Statement before making any decision relating to a financial product. Information in this document is based on current regulatory requirements and laws, which may be subject to change. While care has been taken in the preparation of this document, no liability is accepted by Count, its related entities, agents and employees for any loss arising from reliance on this document.

1 From July 2026, indexed in line with inflation. Source for this section: Australian Taxation Office, **Transfer balance cap**

2 From July 2026, indexed in line with inflation. Source: Australian Taxation Office, **Division 296 tax on large super balances**

3 Source: Services Australia, **Age Pension**

4 Source: Australian Taxation Office, **Concessional contributions cap**

5 Source: Australian Taxation Office, **Non-concessional contributions cap**

6 Source: Australian Taxation Office, **Spouse super contributions**

7 Source: Australian Taxation Office, **Superannuation contributions splitting application**

8 Source: Australian Taxation Office, **Conditions of release, Non-concessional contributions cap**

How to protect your retirement savings from inflation

With global inflation remaining stubbornly high, protecting your future purchasing power becomes an important consideration as you plan your retirement. With an eye to the long term, we discuss inflation-resilient options for your portfolio.

Australians are feeling the pinch at supermarket checkouts as the cost of everyday essentials continues to climb. Rising fuel and fertiliser prices linked to the Iran war are pushing up the cost of producing and transporting goods, including basic pantry staples. Many businesses that initially wore these higher costs can no longer do so and are passing them on through price increases. Together with construction cost pressures linked to the rapid expansion of AI data centres and other factors, there are growing concerns that inflation could prove more stubborn than expected.

For retirees and those planning their retirement, the consequences are significant. If annual inflation averages 4%, a dollar today will buy just 96 cents' worth of goods and services in a year's time. And depending on how long it takes for the Reserve Bank to bring inflation under control, the real value of your retirement savings may be impacted.

But there is some good news. For Australians still in the workforce, periods of inflation are often accompanied by wage growth, although increases can take time to materialise and may not be shared equally across all occupations. As wages rise, so too do the 12% superannuation guarantee contributions paid into super accounts, increasing retirement savings in dollar terms.

And while this is reassuring for people who are still working, for those who are soon to retire or have already retired, the rising cost of daily essentials continues to be a source of stress.

Inflation-resilient investment options

Whether you're still working or retired, it's important to consider whether a portion of your retirement savings should be invested in inflation-resilient assets. These include:

- **Growth assets.** Australian and international shares, property and infrastructure are considered growth assets because generally, their capital values should increase at a higher rate than inflation over the long term. When included as part of a diversified portfolio, growth assets can help your retirement savings keep pace with inflation.
- **Shares in businesses that can pass on price increases.** Included in the broader category of growth assets are infrastructure companies that own toll roads, airports and ports. These companies often have contracts in place that enable them to increase their prices in line with inflation.
- **Good-quality commercial property investments.** Some types of commercial property are sought after and in limited supply. For example, in some cities, land zoned for industrial use is scarce relative to demand, which can support rental growth for warehouses and factories and increase the value of those assets.



- **Consumer staples companies.** Because people continue to buy everyday necessities despite higher prices, consumer staples businesses may be able to pass higher costs on to customers. Examples in this category may include supermarket chains, packaged food businesses and manufacturers of personal care products.

For retirees who are particularly concerned about inflation as well as investment market volatility, inflation-linked annuities may help to protect a retiree's income stream from both inflation and market falls. Inflation-linked annuities pay a monthly income that increases in line with inflation.

Lastly, inflation protection should be considered as part of a broader investment strategy tailored to your personal circumstances and goals. Professional investment management and diversification across a range of asset classes can help manage risk, preserve purchasing power during periods of rising inflation, and support your long-term capital growth and income objectives.

How your adviser can help

As always, it's important to seek personal advice before making financial decisions based on articles like this one. Your adviser can develop a retirement plan that's personalised to your needs and designed to consider the impact of inflation. They can also stress-test your strategy under different inflation scenarios and ensure it remains aligned with your goals.

The advice provided is general advice only. In preparing it we did not take into account your investment objectives, financial situation or particular needs. Before making an investment decision on the basis of this advice, you should consider how appropriate the advice is to your particular investment needs, and objectives. You should also consider the relevant Product Disclosure Statement before making any decision relating to a financial product.

The numbers

Household saving to income ratio rose to

6.5%[9]

in the June 2026 quarter, up from

6.4%

in the prior quarter

The Australian economy grew

0.4%[10]

in the June quarter 2026 (seasonally adjusted, chain volume measures) with an annual growth of

2.1%

Wages rose

3.2%[11]

over the year to June 2026, with a quarterly rise of

0.8%

Household wealth increased by

$201.1b[12] **(1.0%)**

to $19,388.9b

in the June quarter 2026

The trend unemployment rate remained at

4.6%[13]

in September 2026

9 https://www.abs.gov.au/statistics/economy/national-accounts/australian-national-accounts-national-income-expenditure-and-product/latest-release

10 https://www.abs.gov.au/statistics/economy/national-accounts/australian-national-accounts-national-income-expenditure-and-product/latest-release

11 https://www.abs.gov.au/statistics/economy/price-indexes-and-inflation/wage-price-index-australia/latest-release

12 https://www.abs.gov.au/statistics/economy/national-accounts/australian-national-accounts-finance-and-wealth/latest-release

13 https://www.abs.gov.au/statistics/labour/employment-and-unemployment/labour-force-australia/latest-release

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