

FUNDAMENTALLY SPEAKING

A simple explanation of the finance terms we all hear about but don't really understand



Super savings on the table when couples hit the skids

ROWAN JONES

As you would expect, your superannuation is considered a marital asset.

This means that in the event of your marriage or de-facto relationship breaking down it can be divided between you and your partner.

Remember, if you do split your super as a result of a relationship breakdown, normal rules on accessing your super still apply. You can't convert it to cash unless you are either over your preservation age and retiring, aged over 65 or are aged over 60 and have ceased an employment arrangement.

If you and/or your spouse can't satisfy criteria to access your super it will be transferred to your respective super funds.

But before you can make the transfers you and your partner must have a formal written agreement setting out the terms of the split. This agreement needs to be prepared by a lawyer

who must be able to certify that you have both received independent legal advice. This is then used to obtain a consent order from the Family Court to split you and your partner's super.

But things are not always that amicable, and if you and your partner can't come to an agreement, you can seek a court order from the Family Court to make the decision on your behalf. If this is the case the court will ensure that any split is just and equitable for both parties.

Regardless of whether you and your partner come to a mutual agreement or you receive a court order, the trustees of your super fund will be required to carry out the terms of the split.

Things can get a little trickier where self managed superannuation funds are involved and it is recommended that you seek out professional advice.

Rowan Jones is an adviser with Entrust Wealth Management



Illustration: Don Lindsay