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Super Splitting

Women are just as likely as men to say they are going to invest for the future but it is taking the plunge that sets the genders apart when it comes to taking money matters into their own hands.

An ME Bank survey finds men are more likely than women to set an investment goal and a time limit around it, prompting them to make moves towards meeting that goal.

Making it even more imperative that women do take action are their broken work pattern, that many are in part time role, and that women generally earn lower salaries than men.

So, there is some significant catching up to do. The 2011 average super balance of those women who have superannuation was $65,800 compared to $105,000 for men, according to research from the Association of Superannuation Funds of Australia.

The bottom line is a lack of planning around women's wealth creation is contributing to large numbers of them having to survive on the single age pension later in life.

Boost Super
In couple situations, where the main breadwinner has a much higher super balance, it is possible to even this out by "splitting' contributions into the account with the lower balance, as well as making small annual contributions on behalf of a spouse. Super splitting may have Centrelink benefits for couple nearing retirement. Splitting contributions from the older spouse to the younger spouse shields these from the assets test.

The other strategy to boost the super balance of a low-income (assessable earnings of less than $13,800) or non-working spouse is to make an after-tax contribution of $3,000 or more and receive a tax offset of up to $540.

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