



Self-Managed Superannuation Fund Newsletter

Welcome to this end of financial year newsletter for Self-Managed Superannuation Funds. We trust that the information provided will be helpful and informative. Please call us if there are issues you wish to discuss further.

Minimum annual pension payments (for account-based pensions)

| Age | Percentage factors (PF) | Back to normal | Temporary relief | |
|-------------|-------------------------|------------------------|-------------------------------|--|
| | | 2013/2014 year onwards | 2012/2013 and 2011/2012 years | 2010/2011, 2009/2010 and 2008/2009 years |
| | | Full PF | 75% of PF | 50% PF |
| 55-64 | 4% | 4% | 3% | 2% |
| 65-74 | 5% | 5% | 3.75% | 2.5% |
| 75-79 | 6% | 6% | 4.5% | 3% |
| 80-84 | 7% | 7% | 5.25% | 3.5% |
| 85-89 | 9% | 9% | 6.75% | 4.5% |
| 90-94 | 11% | 11% | 8.25% | 5.5% |
| 95 or older | 14% | 14% | 10.5% | 7% |

Other superannuation rates

| Income year | Division 293 concessional threshold | Super concessional contribution caps | Super non-concessional contribution caps |
|-------------|-------------------------------------|--------------------------------------|--|
| 2018/2019 | \$250,000 | \$25,000 | \$100,000 Annual |
| 2019/2020 | \$250,000 | \$25,000 | \$100,000 Annual |

Individuals 65 years or older must meet the Work Test in order to make personal super contributions.

Superannuation concessional contribution caps

To avoid paying Excess Concessional Contributions tax on superannuation contributions, the superannuation concessional contribution caps listed in the table above, apply. This cap is not based on age.

Carry-forward concessional contributions

You are able to carry forward your unused concessional contributions cap amounts from 1 July 2018. The first year in which you can increase your concessional contributions cap by the amount of unused cap is 2019–20, but only if you have a total superannuation balance of less than \$500,000 at the end of 30 June in the previous year. Unused amounts are available for a maximum of five years, and will expire after this.

Please Note: Many of the comments in this publication are general in nature and anyone intending to apply the information to practical circumstances should seek professional advice to independently verify their interpretation and the information's applicability to their particular circumstances. Liability limited by a Scheme approved under Professional Standards Legislation.

Superannuation non-concessional contribution caps

Refer to the table on the previous page to the caps. Additionally, from 1 July 2017 your non-concessional cap will be nil for a financial year if you have a total superannuation balance greater than or equal to the general transfer balance cap (\$1.6 million from 2017–18) at the end of 30 June of the previous financial year. In this case if you make non-concessional contributions in that year, you will have excess non-concessional contributions. There are various other criteria and rules. Please contact us if you wish to discuss your situation and whether you meet the criteria.

Bring-forward arrangements - for Individuals 64 years old or younger

If you are under 65, you may be able to make non-concessional contributions of up to three times the annual non-concessional contributions cap in a single year. If eligible, when you make contributions greater than the annual cap, you automatically gain access to future year caps. This is known as the bring-forward arrangement.

From 1 July 2017, the non-concessional contributions cap amount that you can bring forward, and whether you have a two or three year bring forward period, depends on your total superannuation balance. Your total superannuation balance is determined at the end of 30 June of the previous financial year in which the contributions that triggered the bring forward, were made.

For 2017–18 onwards to access the non-concessional bring forward arrangement:

- you must be under 65 years of age for one day during the triggering year (the first year)
- you must contribute more than the annual cap (\$100,000 from 2017–18)
- your total superannuation balance at the end of 30 June of the previous financial year must be less than the general transfer balance cap (\$1.6 million from 2017–18) with a capacity greater than the annual non-concessional contribution cap (\$100,000 from 2017–18). Therefore, for 2018–19 you must have a total superannuation balance as at the end of 30 June 2018 of less than \$1.5 million to be able to access the bring-forward arrangement.

For 2017–18 onwards, the remaining cap amount for years two or three of a bring forward arrangement is reduced to nil for a financial year if your total superannuation balance is greater than or equal to the general transfer balance cap at the end of 30 June of the previous financial year. Please contact our office to discuss the issue if you believe you may be eligible and would like to utilise the bring-forward arrangements.

Transfer Balance Account Report (TBAR)

As you are aware, the TBAR is used to report events that affect their members' transfer balances to the ATO quarterly or annually – depending on the size of your fund and whether your fund is in pension phase. It enables the ATO to record and track an individual's balance for both their transfer balance cap and total superannuation balance.

What you need to report

An SMSF must report events that affect a member's transfer balance, including:

- new retirement phase income streams
- some limited recourse borrowing arrangement payments
- compliance with a commutation authority issued by the Commissioner
- personal injury (structured settlement) contributions
- commutations of retirement phase income streams.

Some exclusions from reporting

Events that do not need to be reported include:

- pension payments
- investment earnings and losses
- when an income stream ceases because the interest has been exhausted
- the death of a member
- information that individuals report to us directly using a Transfer balance event notification form (NAT 74919). Typically, this is when the following events occur
 - family law payment split
 - debit event from fraud, dishonesty, or bankruptcy
 - structured settlement contributions made before 1 July 2007.