

Super Easy News!

News and information for the clients of
Superannuation Services Pty Ltd



Superannuation Services

Trust, Ethics, Dedication

A.C.N. 080 604 717 A.B.N. 54 080 604 717

June 2018

PENSION PAYMENT REMINDER

If you are in pension phase, please ensure you have withdrawn your minimum pension by **30th June 2018**, as advised in correspondence from Superannuation Services.

IF YOU'RE HAPPY WITH OUR SERVICE

....Don't Keep Us a Secret!



We are open to new business. Do you know anyone else who can benefit from our services? Please recommend us to work colleagues, friends and family.

We, as your Fund's Administrator, have lodged the necessary reports with the ATO to effect your Transfer Balance Account, if applicable. However we thought you might like to know the mechanics behind the process.....

TRANSFER BALANCE ACCOUNT (TBA) How does it work?

It works basically like a bank account. It tracks the movement of funds in and out of pension phase. Amounts into pension phase, increase (credit) the TBA, while amounts out of pension phase decrease (debit) the TBA.

A TBA will be established at the later of:

- 1st July 2017;
- The start date of a standard pension; or
- 12 months after the pensioner's death, if the individual becomes entitled to a reversionary pension.

The transfer balance equals the total credits less total debits. A TBA can be negative.

TBA CREDITS

CREDIT EVENT	CREDIT AMOUNT	CREDIT DATE
An Account Based or Allocated Pension started prior to 1 July 2017	Value of the Pension as at 30 June 2017	1 July 2017
An Account Based Pension or Allocated Pension started prior to 1 July 2017 as a result of the death of a member but the benefit was not a Reversionary Pension (i.e. New Pension)		
An Account Based or Allocated Pension started prior to 1 July 2017 as a result of a member's death and the recipient is the reversionary beneficiary		The later of: 1 July 2017; or 12 months after Death

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protect your future.**

TBA CREDITS cont

CREDIT EVENT	CREDIT AMOUNT	CREDIT DATE
A Lifetime Pension started prior to 1 July 2017	"Special Value" of the Pension as at 30 June 2017	1 July 2017
A Lifetime Pension started prior to 1 July 2017 as a result of a member's death and the recipient is the reversionary beneficiary		The later of: 1 July 2017; or 12 months after Death
A Market Linked or Life Expectancy Pension started prior to 1 July 2017	"Special Value" of the Pension as at 30 June 2017	1 July 2017
A Market Linked or Life Expectancy Pension started prior to 1 July 2017 as a result of a member's death and the recipient is the reversionary beneficiary		The later of: 1 July 2017; or 12 months after Death
A Flexi Pension started prior to 1 July 2017	Value of the Pension as at 30 June 2017	1 July 2017
An Account Based Pension started after 30 June 2017	Value of the Pension as at Pension commencement date (Pension Purchase Price)	Pension Commencement Date
An Account Based Pension started after 30 June 2017 as a result of a member's death and the recipient is the reversionary beneficiary	Value of the Pension the day of reversion (i.e. Date of Death)	12 months after the date of death
A Transition to Retirement Pension becomes standard Account Based Pension (Due to a Condition of Release has been met)	Value of the pension the day the Transition to Retirement converts to the Account Based Pension	The day of conversion
A Contribution made due to a structured settlement or order for personal injuries	The amount of the contribution	The later of: the date of the contribution; and 1st time the member has a TBA

Increases to a pension balance (e.g. Investment income) after they have been credited to the TBA are ignored.

TBA DEBITS

Events that will reverse entries to the TBA are:

DEBIT EVENTS	DEBIT AMOUNT	DEBIT DATE
An Account Based Pension is commuted in whole or part	The value of the commutation	The day of the commutation
A withdrawal paid from a pension balance as a Lump Sum	The value of the Lump Sum withdrawal	The day of the withdrawal
A Market Linked or Life Expectancy Pension commuted in whole or part	"Special Value" of the commutation	If the individual receives a Lump Sum, the day of the commutation or the date the rollover fund received the money
A Lifetime Pension commuted in whole or part		
The Fund does not comply with a commutation authority issued by the ATO	The value of the pension at the end of the period to which the fund had to comply. The pension is deemed to have ceased at that time.	The date at the end of the period to which the Fund had to comply
A "Payment Split" occurs because a member splits part of their super with their spouse as a result of a relationship breakdown	The amount of the split from the pension balance	The date the payment split occurred
A contribution made due to a structured settlement or order for personal injuries	The amount of the contribution	The later of: The day the contribution was made; and 1 st time the member has a TBA
Losses due to fraud	The amount the pension balance has been reduced by the fraud	The time of the loss
Contributions made to super held in a "Retirement Phase" income stream, with the intention of defeating creditors	Amount paid to the Trustee of the bankruptcy	Time of the payment

As growth is not credited to the TBA, losses are not debit from the TBA. Pension amounts are also ignored.

As from 1 July 2017, lump sum commutations do not satisfy the minimum pension requirements. Therefore to reduce a member's TBA the pro rata minimum pension would have to be withdrawn prior to a lump sum commutation. Also lump sum commutations can impact Centrelink entitlements.

Children receiving a death benefit pension are impacted by the TBA but receive a modified TBA and are outside the scope of this newsletter.

Proceeds from a life insurance policy credited to a pension account will count towards the beneficiary's TBA unless the pension automatically reverts to the reversionary beneficiary.

A pension balance automatically reverting to a reversionary beneficiary is calculated at the day of death and the insurance proceeds would not be received till after that time.

Keep a Look Out for our Next Newsletter.....

Expect to receive this in late July 2018

The topic of this newsletter will be

Event Based Reporting

Disclaimer: This bulletin has been published as a service to Superannuation Services Pty Ltd clients and should not be used or relied upon as substitute for detailed advice. The above information provided to you is purely factual in nature and does not take account of your personal objectives, situation or needs. The information is objectively ascertainable and therefore does not constitute financial product advice. If you require personal advice you should consult a properly licensed or authorised financial adviser. Articles or extracts may be reprinted with proper acknowledgement.

**We are one of Australia's leading
specialist self managed
superannuation fund (SMSF)
administration companies**