

# 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

## November 2017

### CHRISTMAS OFFICE CLOSURE

Our office will be closed from 12 noon, Friday 22<sup>nd</sup> December and will reopen 8:30 am Monday 8<sup>th</sup> January 2018.

### PENSION PAYMENT REMINDER

If you are in pension phase, please ensure you have withdrawn your minimum pension by 30<sup>th</sup> June 2018, as advised in correspondence from Superannuation Services upon completion of your 2017 financials.

### 2017 PAPERWORK

Have you sent us the Fund's paperwork for 2017? At Superannuation Services, we work on a first in, first out basis, so the sooner you get us the information, the sooner you will have your Fund's tax done.

### UPDATE

All the staff have had family health issues to deal with this year but I am very proud to say we are on track to complete our self imposed target of 60% of the 2017 Financials completed before Christmas.

### NORMAL OFFICE HOURS

Monday to Thursday – 8:30 to 5:00  
Friday – 8:30 to 4:00

Please note we are always happy to have visitors, but to ensure that someone is here to meet with you it would be appreciated if you could phone ahead.

**Ph 07 3808 1500**

Fax 07 3808 1600

### NEW RULES IMPLEMENTATION SUCCESS

We have had a number of people, clients and Financial Planners, comment and thank us for how well we have implemented the new rules. At Superannuation Services it is always our intent to educate our Trustees and to make any new requirements as easy and seamless as possible. It is reassuring to hear such positive feedback that we are delivering on our commitment to our Trustees.

### 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.



### NEW WORLD OF SUPER

Let's revisit the new world of Super, if for no other reason than to reinforce it in my mind, plus I could not think of anything else for the newsletter bar a few jokes and Mum's awesome shortbread recipe!

### CONTRIBUTIONS – AFTER TAX

#### MONEY

Technically called non-concessional contributions. I am dreading the inevitable queries, how much can I contribute in 17/18 and the years ahead? If you have \$1.6m or more in Super, NOTHING! Remember the \$1.6m limit relates to all your Super balances not just your SMSF accounts and is set at 30<sup>th</sup> June of the prior financial year.....

Postal Address: PO Box 153, Springwood Q 4127

Street Address: 3/24 Vanessa Boulevard, Springwood Q 4127

Email: [admin@superannuationservices.com.au](mailto:admin@superannuationservices.com.au)

**Get the right information and support to  
protect your future.**

## CONTRIBUTIONS - AFTER TAX

### MONEY ..... cont

The general cap for non-concessional contributions for 17/18 and coming years is \$100,000. The brought forward trigger is still in play for people under 65 years of age, but the amount of the brought forward cap and the time period to contribute depends on your Total Super Balance (TSB) at the previous 30<sup>th</sup> June. If the gap between your TSB and the general "pension" transfer cap (\$1.6m in 17/18) is less than \$100,000, then you are limited to \$100,000. If the gap is less than \$200,000 you are entitled to contribute \$200,000 over 2 years. If the gap is \$200,000 or more the limit is \$300,000 over a 3 year period.

But if you have triggered a brought forward in 15/16 or 16/17 it depends on your TSB and when you triggered the brought forward. If you triggered the brought forward in 15/16 and you have not fully utilised the bring forward cap before 1<sup>st</sup> July 2017, then your non-concessional cap limit is \$460,000 over the 3 year period.

## CONTRIBUTIONS – AFTER TAX

### MONEY ..... cont

If you triggered the brought forward in 16/17, and you have not fully utilised the bring forward cap before 1st July 2017, then your non-concessional cap limit is \$380,000 over the 3 year period.

To be eligible to utilise the remaining bring forward amount you must have a TSB of less than the general Transfer Balance Cap (\$1.6m: 2017-18).

## CONTRIBUTIONS - BEFORE TAX

### MONEY

These contributions include super guarantee, salary sacrifice, employer and member contributions where the individual is claiming a personal tax deduction. They are also known as concessional contributions and the limit is \$25,000. From 1<sup>st</sup> July 2017, individuals can claim a tax deduction on personal member contributions. Previously you had to be self employed, in a partnership or had income from other sources to qualify for the 10% Rule. That 10% test has been removed therefore you can claim a tax deduction on personal contributions.

## CONTRIBUTION CAPS

Concessional Contribution eg: SGC, Salary Sacrifice, Employer, Member Claiming Tax Deduction

2017/2018

\$ 25,000

Non-Concessional Contribution i.e: member after tax money

Total Super Balance (TSB) under \$1.6m

2017/2018

\$ 100,000 #

Note: Any Contributions made after 65 are subject to the "work test".

# Maximum Non-Concessional Contribution and Bring Forward available from 1/7/2017 if under 65 anytime during financial year

Total Super Balance	Contribution allowed	Contribution period
Over = \$1.6m	Nil	Nil
Less than \$1.6m Over = \$1.5m	\$100,000	Over 1 year
Less than \$1.5m Over = \$1.4m	\$200,000	Over 2 years
Less than \$1.4m	\$300,000	Over 3 years

## TRANSITION TO RETIREMENT INCOME STREAM (TRIS)

From 1<sup>st</sup> July 2017, Funds with TRIS will be subject to tax at 15% on income. The pension payments remain tax free to the individual if over 60 years of age. As the TRIS pension no longer attracts the tax exemption, it is important to let us know when we can convert the TRIS to a regular pension and regain the tax exemption.

## CONDITIONS OF RELEASE – Have you met a Condition of Release?

- Over preservation age and retired with no intention of working again;
- Over 60 and left some form of employment after that age; or
- Turned 65.

## REGULAR PENSION

Standard pension balances are still exempt from tax within the Fund and, if the pensioner is over 60, tax free in their hands. If the SMSF has mixed accounts, being pension and accumulation accounts, or a member of the Fund has more than \$1.6m as their TSB and is receiving a pension from a super account, the Fund will be required to obtain an Actuarial Certificate to gauge the portion of Fund that is exempt from tax.

## WHAT IS ON THE HORIZON?

“Catch Up” – Concessional Contributions.

From 1<sup>st</sup> July 2018, an individual with TSB of less than \$500,000 on 30<sup>th</sup> June prior financial year, can contribute over the concessional cap by applying any unused concessional contribution cap amounts from one or more of the previous five financial years. This initiative only commences as at 1<sup>st</sup> July 2018, therefore the first use of this provision will be in 19/20. In 19/20 financial year, an additional concessional contribution can be made over the limit of \$25,000 equal to any unused concessional contribution cap amount in 18/19. See Table below.

	18/19	19/20	20/21	21/22	22/23
Concessional Contributions Made	\$10,000	\$30,000			
Unused Cap	\$15,000	-\$5,000	[-----]	\$10,000	-----]
Concessional Cap	\$25,000	\$25,000			

## REAL TIME REPORTING

In a perfect world the ATO would like Event Based reporting from 1<sup>st</sup> July 2017 for SMSFs, but recognised there are practical issues. From 1<sup>st</sup> July 2018, SMSFs will need to report certain events in stricter time frames. These events predominantly affect the transfer balance account, such as: pension commencements, full or partial commutations of a pension and lump sum payments. SMSFs with members whose TSB is less than \$1m need to report at the same time the tax return is lodged. For SMSFs whose members have a TSB of \$1m or more, the deadline will be 28 days after the end of the quarter in which the event occurred. Existing Pensions as at 30<sup>th</sup> June 2017 must be reported to the ATO by 1<sup>st</sup> July 2018.