


#NC2019

Your conference compass: hit the ground running with this Legs & Regs update

Peter Hogan, Head of Education and Technical, SMSF Association
 Peter Burgess, General Manager, Technical Services & Education, SuperConcepts




#NC2019




Peter Hogan

Peter Hogan is the SMSF Association's Head of Education and Technical. He is one of Australia's foremost SMSF specialists, having worked in the sector over many years. A lawyer by training, he cut his teeth in the ATO before joining some of Australia's largest financial institutions to work in key superannuation, investment and taxation roles. His enormous industry experience and knowledge, especially as they pertain to tax issues, means he is in constant demand on the SMSF speaking circuit. Away from the world of SMSFs, he is a keen weekend golfer when he is not providing a taxi service to junior sporting events. Peter is an SMSF Association Specialist Adviser and former Chair and National Board member of the Association.



#NC2019





Peter Burgess

Peter Burgess is General Manager, Technical Services and Education at SuperConcepts. Peter is SuperConcepts's specialist on government policy, regulation and technical issues, and acts as SuperConcepts' SMSF media spokesperson.


Peter has a strong reputation as an authority in SMSF technical matters and Government policy design. He is an adjunct lecturer with the University of Adelaide and is a widely published author and media commentator on SMSFs.

Peter holds an MBA from the University of Adelaide and an Economics degree and postgraduate qualifications in finance and superannuation management.

In 2016, in recognition of his outstanding contribution to the SMSF sector, Peter was awarded the SMSF Association's Chairman's Award.


3 yearly audits for some SMSFs

#INC2018 


2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
---------	---------	---------	---------	---------	---------

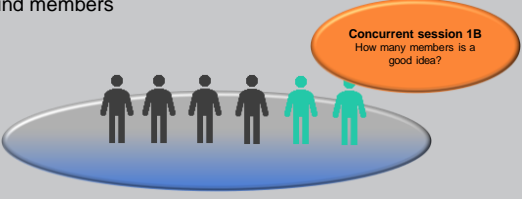
Key events...

- Start a pension
- Member dies
- NALI, LRBA
- Related party transaction
- In-specie transaction
- New member joins or a member leaves




Increasing the maximum number of fund members


#INC2018 

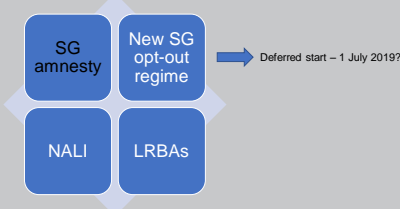


Concurrent session 1B
How many members is a good idea?





Integrity measures...

#INC2018 



Deferred start - 1 July 2019?

Treasury Laws Amendment (2018 Superannuation Measures No.1) Bill 2018 

NALI #INC2018 


Proposed restructure of s295-550(1) – NALI to include income where expenditure incurred in gaining or producing it was not an arm's length expense.


Income exceeds amount expected from an arm's length dealing

Or

Expenses less than amount expected from an arm's length dealing

=
NALI



LCR 2018/D10 #INC2018 


Not NALI


NALI

Concurrent session 5A
 Gnarly about NALI: the changes and impacts on SMSFs

Service performed in capacity of arm's length terms

Service outsourced to a third party on non-arm's length terms



LRBAs & Total Super Balance #INC2018 

S307-230(1) – insert new subsection (d)

Accumulation phase value

+

Transfer balance or modified transfer balance

+

Rollovers in transit


+

LRBA amount

=
TSB

↓

But only if member has satisfied a full CoR or lender is an associate



Total Super Balance

Australian Government
Australian Taxation Office

Self-managed superannuation fund annual return 2018

Other transactions

Accumulation phase account balance	Retirement phase account balance	Retirement phase account balance - Non-CDEG	Retirement phase account balance - CDEG
S1 \$	S2 \$	S3 \$	S3 \$

Allocated earnings or losses

Inward rollovers and transfers	Outward rollovers and transfers	Lump sum payment	Income stream payment
P \$	Q \$	R1 \$	R2 \$

CLOSING ACCOUNT BALANCE: \$ \$

Accumulation phase value X1 \$

Retirement phase value X2 \$

Work test exemption for over 65s: \$300k

Catch-up CCs: \$500k

Event based reporting threshold: \$1M

\$300K NCC bring forward: \$1.4M

\$200K NCC bring forward: \$1.5M

NCCs & disregarded small fund assets: \$1.6M

Work test exemption for recent retirees

- Subregulation 7.04(1) amended for contributions made from 1 July 2019
- Aged 65 to 74 years
- Gainfully employed at least on a part-time basis during the previous financial year
- TSB less than \$300k at the end of the previous financial year
- No previous 'work test exemption' contributions have been made.

Work test exemption for recent retirees

Concurrent session 3B: Spouse equalisation strategies - is it worth it?

Concurrent session 5B: When contributions become Supercaifragilisti coexpialdicious

Turns 65

\$300k NCC

30 June

SuperStream standards to apply to SMSF rollovers from 30 November 2019

SMSFs

↔

APRA regulated fund

Must, at least 10 business days before first rollover or non-related employer contribution, provide the ATO with:

1. A unique identifier
2. Bank account details
3. Internet protocol address

Must use an electronic service provided by the ATO to validate:

1. ABN and name of SMSF
2. The regulated status of the SMSF
3. The member is a member of the SMSF
4. Bank details which will enable an electronic payment to be made
5. An internet protocol or digital address for receipt of electronic communications

Use of reserves by SMSFs (SMSFRB 2018/1) - key takeaways

Reserves must have a clearly articulated purpose

Allocation of existing reserves

- Can only be allocated to a member's accumulation interest
- 5% allocation limit (to avoid excess CCs) based on the member's total balance in the fund

for SMSFs to create new

and losses should be

member's account in the

Concurrent session 7B
 Dealing with reserves in an SMSF – are they in the starting line up or left on the bench?

Market linked income streams

Event	Dr	CR
30/6/2017 MLIS balance		Special value (remaining term x annual entitlement)
MLIS commutation post 30/6/2017	Nil	Special value (remaining term x annual entitlement)
MLIS re-commencement post 30/6/2017		Market value

ATO SMSF News Alert 2018/3

Assistant Treasurer, 30 October 2018

ECPI claim 2017/18 & beyond

1 July 30 June

Retirement phase & accumulation accounts

Concurrent session 8A
The ultimate guide to understanding ECPI and segregation.

Unsegregated method
Actuarial certificate required with ECPI% to apply to income derived during this period only

Segregated method
No actuarial certificate required

One actuarial certificate with same ECPI% to apply to all unsegregated periods.

Sole purpose test - Aussiegolfa

SMSF

Unit trust

Plenary session 5
A regulatory update on practical issues within SMSFs.

Concurrent 4A
SMSF case law 2018 breakdown: how it applies in practice

Business real property?
Motive v purpose?

What you need to know

The content of this presentation has been prepared to provide you with general information only. It is not intended to take the place of professional advice and you should not take action on specific issues in reliance on this information. In preparing this information, we did not take into account the investment objectives, financial situation or particular needs of any particular person. Before making an investment decision, you need to consider (with or without the assistance of an adviser) whether this information is appropriate to your needs, objectives and circumstances. You should obtain a copy of the relevant Product Disclosure Statement (PDS) before making a decision to invest in any financial product.

Any advice in this presentation is provided by SMSF Administration Solutions Pty Ltd, ACN 097 695 988, AFSL No. 291195 which is part of the AMP group of companies.
