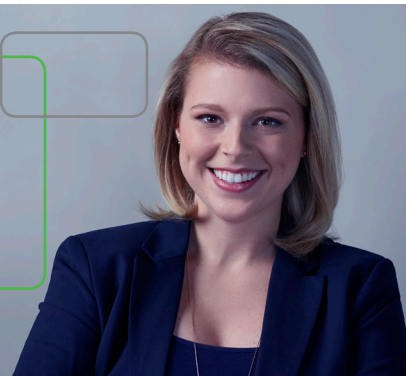


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## REAL TIME REPORTING

The introduction of the \$1.6m cap on pension accounts will result in additional reporting requirements to the ATO by SMSF trustees.

All SMSF's that are paying retirement pensions to their members will be required to report these to the ATO, even if the total balance of the members pension is less than \$1.6m. As a result there are new reporting requirements to the ATO that will impact SMSF's that are paying pensions to their members.

The good news for SMSF trustees is that they are not required to report anything to the ATO on this until 1 July 2018. At this date all events that impact on a members Transfer Balance Account (from 1 July 2017 until the date of the first report) are required to be reported.

The bad news is that from 1 July various reporting obligations will require transactions that impact the Transfer Balance Account to be reported 28 days after the end of the quarter in which the transaction occurred. Other obligations will need to be reported within 10 business days of the end of the month.

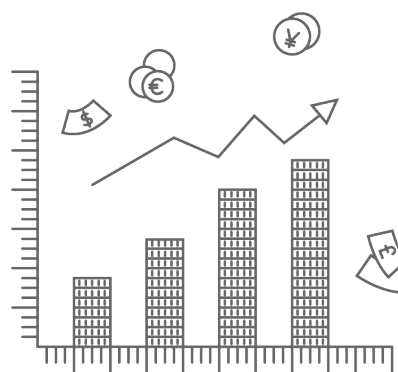
### The following will be the ongoing reporting requirements from 1 July 2018

Report Type	Timing
Pre 1 July income streams	1 July 2018
Commencing a pension	28 days after the quarter in which the pension commences
Certain Limited Recourse Borrowing Arrangement Repayments	28 days after the quarter in which payment is made
All other Transfer Balance Cap Events	10 business days after the end of the month the event occurred in
Commutation Authority	The earlier of <ul style="list-style-type: none"><li>10 business days after the end of the month in which the event happened</li><li>60 day notice requirement to notify ATO</li></ul>

The concession which allows SMSF trustees until 1 July 2018 does provide time to adapt to the new system. However, there is a potential issue in that should a member be in excess of their Transfer Balance Cap and this is not dealt with until the first reporting date on 1 July 2018, there is potential for excess transfer balance tax to accrue for the whole financial year.

There are some specific exemptions to the excess transfer balance tax where the excess amount is less than \$100,000 and the matter is rectified by 31 December 2017.

SMSF trustees should be reviewing their processes now and speaking to their accountants to determine the best way in which to deal with these reporting requirements before 1 July 2018.



For further information, please contact your local RSM office today.

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