



WE'RE UP TO SPEED
SO YOU CAN GO
FULL SPEED

TRANSFER BALANCE ACCOUNT REPORTING (TBAR)

WHY THE CHANGE?

The changes to superannuation on 1 July 2017 included an introduction of a limit on the amount of money that can be used to start a pension. This limit of \$1.6 million is known as the Transfer Balance Cap (TBC) and applies to existing pensions on 1 July 2017 as well as any new pensions started after this date.

To make sure this limit is complied with, the ATO has created a new reporting system known as the Transfer Balance Account (TBA) for all superannuation fund members drawing a pension from any superannuation fund. Every full retirement pension (rather than transition to retirement pensions) that existed on 30 June 2017 will have their balance reported along with other events that occurred since that date.

For some SMSFs, this means that certain events will need to be reported to the ATO on a quarterly basis from 1 July 2018.

WHO IS AFFECTED?

Your SMSF will be required to report events to the ATO on a quarterly basis if:

- Any member of your SMSF has a total superannuation balance (TSB) of \$1 million or more; and
- Any member of your SMSF is in receipt of a pension

TSB = ALL of your superannuation interests (both pension and accumulation), not just those held in your SMSF. If you have multiple superannuation funds, or are in receipt of a defined benefit pension, these must all be taken into consideration when determining whether your SMSF is required to switch to quarterly reporting.

The TSB assessment is made on 30 June of the year before the first member starts their first pension, or on 30 June 2017 if a member was already in receipt of a pension.

If your SMSF is not required to report quarterly then it will be required to report annually by the same date that its tax return is due for lodgement.

WHAT DO I REPORT?

Some events that will need to be reported are:

- The value of all pensions in existence on 1 July 2017
- The value of new pensions commenced after 1 July 2017
- The value of pensions if they are stopped
- Lump sum payments paid from pensions (partial commutations)
- Certain events relating to the death of a member

Things that do not need to be reported:

- Regular pension payments
- Investment earnings/losses
- Exhaustion of your pension balance



WHEN DO I NEED TO REPORT?

If your SMSF is required to switch to quarterly reporting you need to be aware of these key reporting dates:

KEY REPORTING DATES		
	Quarterly Reporting	Annual Reporting
30 June 2018	SMSF must report on pension balances at 1 July 2017	SMSF must report on pension balances at 1 July 2017
28 October 2018	SMSF must report events from 1 July 2017 – 30 June 2018 and events from 1 July 2018 – 30 September 2018	N/A
28th of every month after each quarter has ended (i.e. 28 January 2019; 28 April 2019)	SMSF must report events from the preceding quarter	N/A
Due Date of SMSF Tax Return	N/A	SMSF must report events from 1 July – 30 June of the relevant year

For many SMSFs, there will be one report lodged upon the commencement of a pension and then no further events will be required to be lodged. However, it's important that you and your accountant work together on quarterly reviews to ensure that no reportable events are overlooked.

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HOW DO I REPORT?

The report to the ATO can be lodged both by paper or electronically.

Our software program, known as Class Super, can electronically submit the reports each quarter but we will need to work with you to ensure the data in their system is up to date. There are a number of functionalities available we can offer you to assist in this and we also have the resources to give you online access to your SMSF data. Please do not hesitate to contact us if you'd like more information about this.

WHAT DO I NEED TO DO?

You need to confirm your Total Superannuation Balance at 30 June 2017 by checking your member statements from all of your superannuation funds (including defined benefit pensions) and providing copies of those statements to your accountant.

You also need to prepare your SMSF to be able to lodge the first TBAR due on 30 June 2018 as well as prepare for quarterly reporting if required to do so.

