



Are your clients ready for the latest superannuation legislation coming into effect on 30 June 2017?

With 30 June right around the corner, now is the time to ensure your clients are ready for the latest superannuation legislation coming into effect.

Ensure all your clients are ready and have made any necessary adjustments before the end of the financial year with the use of this interactive checklist. Forward this onto your clients and ensure they understand how these changes will affect them and their self managed super fund.

Transition to retirement (TTR) pensions

- Do any fund members have a TTR or are considering starting one?
- Have any fund members thought about a retirement date, if not already retired?
- Have any fund members met a TTR condition of release?
 - ⇒ Have they met a full condition of release and are able to start an account based pension?
 - ⇒ Have they retired from one of their jobs and are over 60?
- Have all fund members reviewed the purpose and strategy for starting or maintaining a TTR?
 - ⇒ Do they want to cut back on work?
 - ⇒ Do they want to boost their superannuation balance?
 - ⇒ Do they want to boost their income?
- Are fund members aware of any transitional CGT relief rules available to them?
- Do all fund members understand that the transfer balance cap will limit the amount of tax-free assets that can support a pension from 1 July 2017?
- Will any fund members have a superannuation income stream in existence on 30 June 2017?

- Are the fund members aware of the consequences of excess transfer balances?
- Are the fund members aware of any transitional CGT relief rules available to them?

Contributions – concessional

- Do all fund members understand that concessional contribution caps will reduce to \$25,000 on 1 July 2017?
- Determine the age the fund members were on 30 June 2016.
 - ⇒ If they were 49 or above, they are entitled to \$35,000 in concessional contributions for 2016-17
 - ⇒ If they were under 49 they are entitled to \$30,000 in concessional contributions for 2016-17.
- Can any fund members make additional concessional contributions to take advantage of the existing higher limits before 1 July 2017?
 - ⇒ If they are aged between 65 and 74 at the time of the contribution, they must pass the work test.
 - ⇒ Voluntary contributions cannot be made from aged 75 onwards.
 - ⇒ Increase or begin salary sacrifice.
 - ⇒ Make deductible personal contributions.

Contributions – non-concessional

- Are all fund members aware of the lower annual \$100,000 non-concessional contribution cap from 1 July 2017?
- Are any members aged 65 or over but under 75 on 1 July 2016?
 - ⇒ Yes – they are restricted to the fund-capped contribution limit which is the non-concessional contributions cap for the financial year - \$180,000 in 2016-17; and
 - ⇒ They must satisfy the work test to make contributions.
- Are any members aged 64 or under on 1 July 2016?
 - ⇒ Yes – their fund-capped contribution limit is three times the non-concessional contributions cap for that financial year (e.g. \$540,000 in 2017-18).
 - ⇒ The member does not need to satisfy the work test to make contributions.

- If any members have not already used the bring forward rule in the last three years, they can contribute up to \$540,000 in non-concessional contributions in 2016-17.
- Do any fund members have a superannuation balance of \$1.6 million or so more on 30 June 2017?
 - ⇒ Yes – they are unable to make any more non-concessional contributions

Other superannuation law changes

- Does any fund member earn more than \$250,000?
 - ⇒ Be aware of changes to the Division 293 Tax threshold on concessional contributions
- Does any fund member's spouse earn less than \$40,000?
 - ⇒ Be aware of the Low Income Superannuation Tax Offset.

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