

With the end of financial year approaching it is important to ensure that your superannuation affairs are in order before year end.

### *Contributions*

#### **Concessional Contributions**

- The Concessional Contribution (“CC”) cap regardless of age is \$25,000 for the 2018/19 financial year.
- From 1 July 2017 individuals with employer superannuation support have been able to supplement their superannuation balance with a deductible personal member contribution.
- When making a personal concessional contribution, it is important to ensure the cap is not breached and the required Notice is forwarded to the receiving superannuation fund notifying them of the intention to claim a tax deduction for a personal contribution.
- It is important that contributions are received by superannuation funds by no later than 30 June 2019, which this year falls on a Sunday. Failure to do so can result in the following adverse consequences:
  - Inability to claim a tax deduction for the late contribution in the 2018/19 financial year
  - Risk of excess contribution in the 2019/20 financial year if the member makes further contributions in that year and exceeds the annual CC cap.
- Members who have entered into salary sacrifice arrangements should review their year to date contributions to ensure they will not exceed the CC cap for the year. In some instances, members can revise their arrangement with their employer before year end to avoid making excess contributions.

#### **Non-Concessional Contributions**

- The annual Non-Concessional Contribution (“NCC”) cap is \$100,000 for the 2018/19 financial year for individuals with a ‘total superannuation balance’ under \$1.6m.
- Members who are aged between 65-74 years old must meet the ‘work test’ in order to make a NCC. The work test requires that the member has 40 hours of paid employment over any 30-day consecutive period during the financial year.

- Individuals under the age of 65 may be able to make a NCC equal to three times the annual NCC cap (being \$300,000 for the 2018/19 financial year) using the bring forward rule. This will depend on the individual’s ‘total super balance’ and whether the bring forward rule has not been triggered in the preceding three-year period. If you wish to use the bring forward rule, we suggest contacting our office to confirm your NCC limit for the year.

#### **Payment of Fund Expenses from Outside of Super**

- The payment of Self-Managed Superannuation Fund expenses and investment purchases from funds outside of super are treated as in-specie contributions and will count towards the member’s CC and/or NCC cap.
- Given the caps on contributions, care should be taken when paying any superannuation obligations outside of superannuation and before June we recommend SMSF trustees review this issue and contact our office to discuss any possible reimbursement for expenses paid before 30 June 2019.

### *Pensions*

#### **Minimum Pension Withdrawals**

- All members who are drawing a retirement phase income stream (i.e. pension) must ensure they have withdrawn at least their minimum pension for the 2018/19 Financial Year.
- Members who have withdrawn more than their minimum pension should contact our office to discuss the treatment of the excess withdrawal and any possible rectifications if required.
- Given 30 June 2019 falls on a Sunday for the 2018/19 financial year and the requirement that pension withdrawals must clear the fund bank account to count towards the minimum, we recommend withdrawals are made well in advance of 30 June. It is best practice to make your pension withdrawals 3 working days before year end, being **26 June 2019** to ensure funds clear the bank account by Friday 28 June 2019.

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- Failure to withdraw the minimum required pension can result in the fund losing the tax exemption on income supporting a pension.

### Transfer Balance Account

- Individuals who are currently withdrawing a Transition to Retirement Pension (TRIS) and will be retiring or turning 65 years old in the 2019/20 Financial Year should contact our office to discuss possible conversion of their TRIS to an Account Based Pension. This will necessitate reporting of the conversion in the standard Transfer Balance Account Reporting (TBAR) to the Australian Taxation Office ('ATO').

- Those individuals who have met both their preservation age and a condition of release and wish to withdraw a pension in the 2019/20 financial year should also contact our office to discuss preparing the necessary documents to commence a pension and report it to the ATO.

### Asset Revaluations

- The Market Value of Superannuation Fund assets must be reviewed every year. Funds which hold Real Property, Collectables or Shares in Unlisted Companies should ensure that they have been valued by an independent valuer at least every three years.
- Where a revaluation of an asset is due for the 2018/19 Financial year, please ensure the valuation is obtained before year end.



Lombardi  
PARTNERS

**Contact Us...** to discuss your queries before the end of the financial year

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