



ATO finalises its position in relation to SMSF event-based reporting

After detailed consultation with the self-managed super fund (SMSF) sector, the ATO announced today that its implementation of SMSF event-based reporting from 1 July 2018 will be limited to those SMSFs with members with total superannuation account balances of \$1 million or more.

Deputy Commissioner James O'Halloran said that this means that SMSFs whose members' total superannuation balances are less than \$1 million can choose to report events which impact their members' transfer balances at the same time that the SMSF lodges its SMSF annual return.

"As a result of this approach it is estimated that up to 85% of the SMSF population will not be required to undertake any additional reporting outside of current annual reporting timeframes for the foreseeable future." Mr O'Halloran said.

"From 1 July 2018 those SMSFs that do have members with total superannuation account balances of \$1 million or more will be required to report events impacting members' transfer balances within 28 days after the end of the quarter in which the event occurs.

"However, it is important to restate that in all cases, regardless of the reporting timeframe that applies, reporting is only required if an event that impacts a member's transfer balance cap actually occurs – for example, when a SMSF member first starts to receive a pension from their fund."

Mr O'Halloran said "On 22 August 2017 we issued a public position paper about SMSF event-based reporting. The feedback we received highlighted concerns about the effort and costs that may be associated with the proposed approach.

"The ATO has listened carefully to this feedback, and in considering these concerns we have decided to provide an annual reporting timeframe for SMSFs with members with lower superannuation balances and to allow a quarterly reporting timeframe for other SMSFs.

"The ATO believes that the combination of these approaches sensibly balances administrative ease and efficiency with the increased need for transparency across the superannuation system."

As part of our normal practice, the ATO will continue to evaluate benefits and risks arising from this change to SMSF event-based reporting. Should further change be considered to this arrangement or a change to the expectations on the broader SMSF sector, this would be the subject of community consultation.

Mr O'Halloran noted that it remains important for all SMSF trustees and members to self-monitor and track events impacting upon their transfer balances on an ongoing basis, as envisaged by the transfer balance cap legislation.

"This is vital to ensure that SMSF members are in the best position to make informed financial decisions in light of the cap. The financial circumstances of individuals and their superannuation balances can change. It is important that SMSF members are aware of their position in relation to the transfer balance cap to mitigate the risk of them inadvertently exceeding the cap and being exposed to an excess transfer balance cap liability."

The ATO will continue to engage and work closely with the SMSF sector over the coming weeks and months to support the sector in transitioning to the event-based reporting arrangements announced today.

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