

# It's time to prepare your quarterly TBAR reports:

*All superannuation funds paying a superannuation income stream to an individual will need to complete and lodge this form on a regular basis.*

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## When you need to report:

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### Prior to 30 June 2018

You should have already lodged TBA for any fund where at least one member of the fund has an income stream just before 1 July 2017. If not contact us if you need assistance.

### By 28th October 2018

You need to lodge a report for each SMSF if:

1. A member of a SMSF starts an income stream on or after 1 July 2017 and before 30 September 2018

AND

2. as at 30 June in the income year immediately prior to the member starting the income stream, at least one member of the SMSF has a **total super balance** \$1 million or more.

*Note*

- *total super balance includes balances in other funds - See below for definition*
- *Both conditions must apply for you to be required to report quarterly*

### By the fund's annual SMSF Lodgement Date

If only condition 1 applies, then the report can be lodged annually by the date the fund's annual return is due. (for tax agents with funds with no compliance or lodgements issues this would generally be 15 May)

## What you need to report.

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If the above apply then you need to report any Transfer Balance events including:

### Common events:

- New income streams in the retirement phase on or after 1 July 2017, including reversionary income streams, Death benefit Pensions and TRIS (ONLY when it starts to be in the retirement phase)
- amounts commuted from a member's income stream
- certain limited recourse borrowing arrangement repayments

There are some other less common events – see FAQ's or the ATO for full list

### Example

- on 1 July 2018 Member commutes existing pension of \$500,000 back to accumulation account
- Member 1 then commences a new retirement income stream on 1 July 2018 valued at \$600,000 including \$100,000 previously in accumulation
- The income stream is an account-based pension

Tax agent completes the relevant sections of the TBAR Including as follows...

#### Event Details Section

1. D1 Select "an Income stream that commenced after 1 July 2017"
  - a. Event Type "Super Income Stream" \$600,000
2. D2 Select "A Different Transfer Balance Event"
  - a. Event Type "Member Commutation" \$500,000

The TBAR will record a reduction in income stream assets of -\$500,000 then additional income stream of \$600,000 – net effect \$100,000 increase in Income stream balance. Total Super Balance is not impacted by this event.

## How can Supernova Help?

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If your fund is under administration with Supernova it will allow us to record and maintain your fund's TBAR information. If records are up to date we can determine who needs to report, what needs to be reported and allow you to lodge directly from the software or provide you with the reports to upload via your tax agent portal

You simply need to transfer administration of the fund to Supernova and provide us with the current fund balances to start. For example, if you have an existing fund on BGL Desktop, you simply need to provide the BGL export file. We can then transfer it to our BGL 360 software and provide you with:

1. A list of funds that meet the reporting requirements
2. Pro-forma questionnaire to elicit any information from the trustees TBAR events
3. Draft TBAR reports each quarter ready for lodgement.

*Note that the accuracy of the reporting will always be dependent on information recorded in the software, so you will always need to be aware of what else your client has done that is outside the software records.*

Contact us to discuss your specific requirements and to find out how transferring administration to Supernova can simplify this process

### Additional Information

For Further information

- Visit our website [super-nova.com.au](http://super-nova.com.au)
- Refer to the our [TBAR Summary](#)
- Use our [Super Transfer Balance \(TBAR\) Flowchart](#) to help work out who needs to report
- [Contact us](#) if you would like a free consultation to discuss your circumstances
- Refer our FAQs below:

## FAQs

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### What is Total Super Balance

A member's total superannuation balance is essentially the sum of all their accumulation and retirement phase superannuation interests across all their accounts and funds.

In recognition that a member's total superannuation balance could be spread across multiple superannuation providers, SMSF trustees will need to self-assess their members' total superannuation balances when determining if the annual or quarterly reporting framework applies as there may be outstanding information yet to be reported to ATO.

### How is Total Superannuation Balance Calculated?

Your total superannuation balance is calculated by:

- adding
  - the accumulation phase value of your super interests that are not in the retirement phase
  - if you have a super income stream in the retirement phase, your 'transfer balance' or your 'modified transfer balance'
- subtracting
  - any personal injury or structured settlement contributions that have been paid into your super fund(s).

### Why do funds need to report TBAR?

The TBAR has two purposes:

1. Reporting transfer balance cap events
2. Reporting information for a member's total super balance.

This information may be used to determine

- Unused concessional contributions cap carry-forward
- Non-concessional contributions cap and the bring-forward
- Government co-contribution
- Tax offset for spouse contributions
- Segregated assets method to determine ECPI

### How can the TBAR be lodged

- Paper form
- ATO Online form
- via the business portal

If you are a Supernova client using BGL 360 or Class Super, we can provide all the information required to complete the forms

### What Transfer balance account events must be reported:

- super income streams in existence just before 1 July 2017 that
  - continued to be paid on or after 1 July 2017, and
  - were in retirement phase on or after 1 July 2017
- any of the following events that occur on or after 1 July 2017
  - super income streams that have started in retirement phase, including reversionary income streams
  - limited recourse borrowing arrangement (LRBA) payments when
    - the LRBA was entered into on or after 1 July 2017 (or an LRBA entered into before 1 July 2017 was refinanced on or after 1 July 2017), and
    - the payments result in an increased in the value of the member's superannuation interest supporting their retirement phase income stream, and
    - the member's interest in an SMSF or other complying superannuation fund with less than 5 members
- member commutations, including commutations that occur before an income stream is 'rolled over' to another fund and commutations requested by a member because we have issued them with an excess transfer balance determination
- compliance with a commutation authority issued by the Commissioner to the fund, including commutations made in response to the commutation authority we have issued to the fund
- personal injury (structured settlement) contributions that occurred post 1 July 2017
- super income streams that stop being in the retirement phase.

## Disclaimer

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This document provides simplified information on the legislative requirements. It is not intended to cover all situations and should not be relied upon for decision making. For full information contact your financial adviser or refer to the ATO website.