



TriSuper Auditors

Reading the runes...

# SMSEFs in an UNCERTAIN WORLD

10 April 2025 at 1pm

With **Joel Curry**, Director, TriSuper Auditors





# Let's start

1. 2025 Federal Budget
2. Coalition Super positions
3. Topical Delights
4. The Technical Issues
5. Q & A

# Joel's Juxtapositions



**Trigger Warning...**

**If you happen to see text enveloped by  $\infty$  and  $\pi$  consider them solely opinions of the presenter – and as irrational as the symbols containing them...**

# 2025 FEDERAL BUDGET: Superannuation Announcements

## Key changes and updates

This will be quick...



# Super Guarantee Increase

- Confirm Increase from 11.5% to 12% starting July 1, 2025
- Last legislated increase
  - ∞ A positive correlation exists in rise of SGC and cost of living/housing from rise of SGC in 2013 of 9% to now. A False positive?  $\pi$



# Super on Government-Funded Paid Parental Leave

- Applies to government-funded paid parental leave from July 1, 2025
- Helps reduce the impact of career breaks on superannuation balances



# Payday Super

- Employers must pay super with salary and wages from July 1, 2026
- Cash flow issues galore
- Delays in clearing houses forwarding on?

∞ Should be extended to cover PAYGW. π



# DIV 296



- Legislation lapsed in current term
- ALP still intends to pursue
- Very much up in the air - what will the new Senate look like?
- Would start date be pushed back?



# COALITION SUPER POSITIONS

∞ Like Schrodinger's cat; alive and dead at  
the same time  $\pi$



# Scrap proposed Div 296

 A coalition government would not proceed with the proposed Div 296.

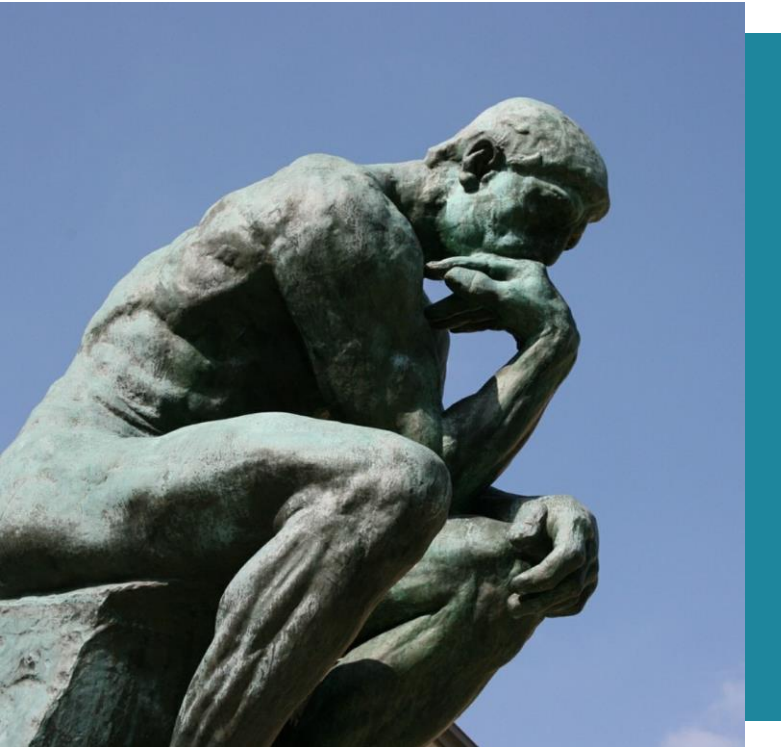
 This alone is a reason for everyone watching to vote for Peter. 

# Access Super to buy first home

- Coalition proposal to allow eligible first home buyers to access \$50,000 from super
- Money would need to be paid back into super if house is sold

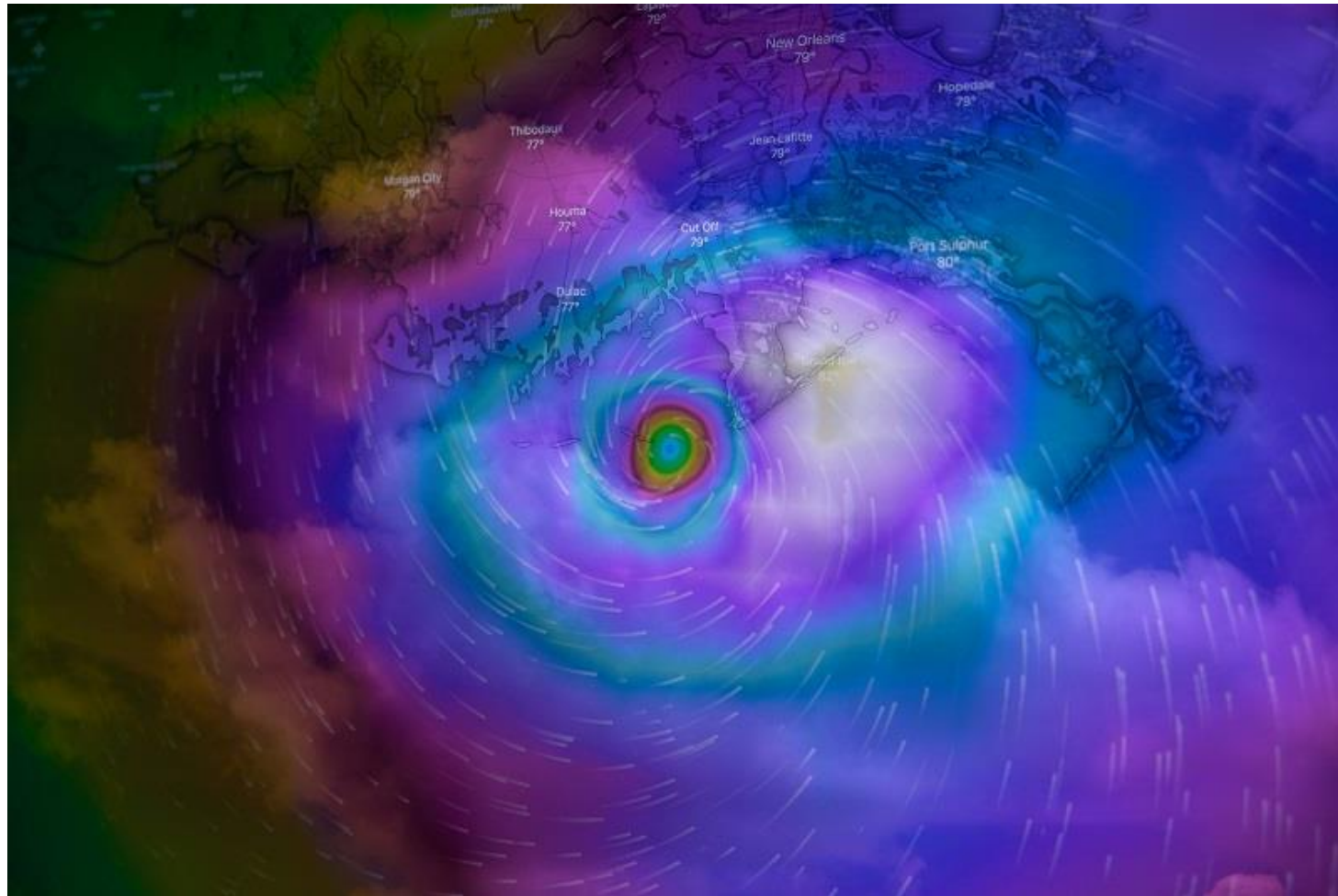


# WHAT ABOUT...?



- Per member of a couple? So, \$100,000 in total?
- How can it be paid back to super?
  - Only on sale
  - With interest?
  - Paid back earlier?
- Family law issues?
- Just limited to first home buyers?

# Topical Delights



# Silver and Gold

- Can the Fund buy it from a related party? No.... Section 66 prohibits
- Where can it be stored?
- What about insurance?
- Need to consider Reg 13.18AA. Bullion products are usually exempt.



# Crypto



∞ Sorry... I refuse to talk about it  $\pi$

# Crypto

∞ If we have to... Hi, my name's Joel π

- Use of offline wallets - nightmare
- Online exchanges can tick all the compliance boxes
- We will ask for Declarations of Trust each year

∞ Be like Joel – say No to offline wallets π





# Related Party Leases

∞ I have simple wants... π

## Four step plan to keep the auditor happy

1. At start of lease, obtain an agent lease appraisal
2. Have a commercial lease agreement prepared (and signed)
3. Follow terms of lease (including rent reviews and payment of outgoings)
4. At lease expiry go to step 1.

∞ Easy? Ok we can move on. π

# Property Valuations

∞ Again, I am a man of simple wants... π

- ✓ Trustees' mindset needs to be that paying for a valuation is the cost of SMSF property investment.
- ✓ There is no three-year rule.
- ✓ ATO wants backing of objective supporting data.
- ✓ Trustees need to show they have “turned” their mind to the value on an annual basis.

# Property Valuations

## ❖ Residential Properties

- Online valuations readily available at nil or little cost
- Managing agent appraisals

## ❖ Commercial/Industrial

- Formal Valuation may be required
- Valuer may then provide a yearly update service?
- Obtain lease appraisal at same time
- A Trustee minute outlining reasoning for keeping valuation same for year 2/3 may be appropriate if detailed enough.

# THE TECHNICAL ISSUES



# CONCESSIONAL CONTRIBUTIONS (CC)

## Who can make CCs?

- No restriction at any age on mandated contributions

## Personal and Salary Sacrifice CCs

| Age      | 2023 FY onwards |
|----------|-----------------|
| Under 65 | Yes             |
| 65-66    | Yes             |
| 67-74    | Work test *     |

\* work test still required to be met to claim personal super contribution

One year once of exemption from work test available

- Total Super balance must be less than \$300,000 at start of year.
- Satisfied work test in prior financial year.

# How much?

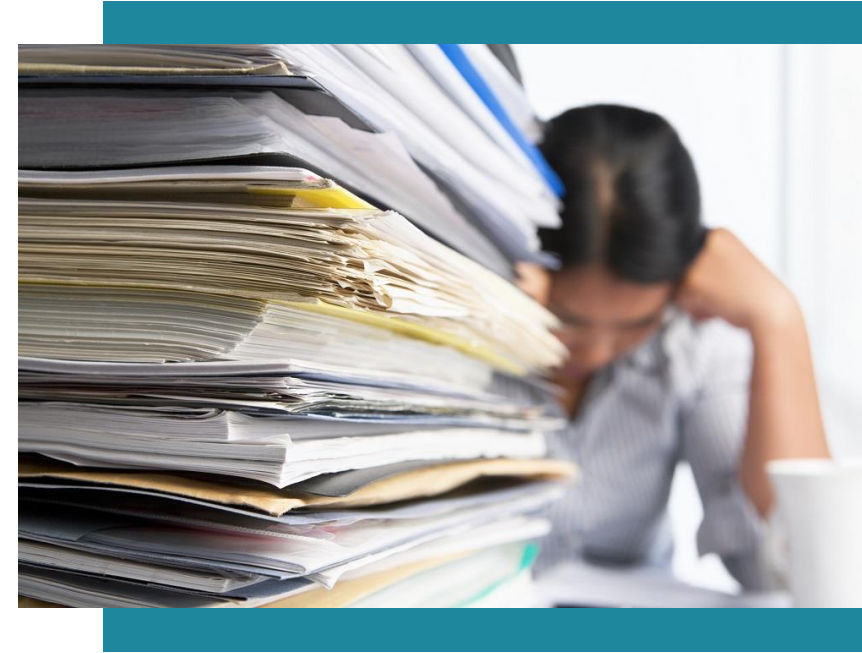
- 2025 FY onward \$30,000
- Reserving?
- Catch up CC's
- What if you go over?



# Reserving Strategy

- How does it work?
- Paperwork, paperwork, Tax Determination 2013/22
- Discrete contributions only ?
- Caught by Div 293? – in the year allocated.
- How does a SMSF report?

<https://www.ato.gov.au/forms/request-to-adjust-concessional-contributions/>



# Catch-up Concessional Contributions

- Total Super balance must be less than \$500,000 at end of prior year
- Caught by Div 293? - yes
- Could be used in conjunction with reserve strategy
- Can carry forward unused cap amounts for five years
- Check ATO portal for current position.



# Age 75+

Can only contribute:

- **Mandated contributions**
  - Contributions made by an employer under a law or industrial agreement for the benefit of a fund member.
  - They include super guarantee contributions.
- **Downsizer**
- **Salary Sacrifice?**



# Division 293



- Often a surprise
- Interaction with Catch-up Contributions
- Additional 15% on CC's in excess of \$250K threshold.
- Does not included excess CC's.
- How do you pay?

# SCG Increase

|           | SGC % |
|-----------|-------|
| 2021/2022 | 10    |
| 2022/2023 | 10.5  |
| 2023/2024 | 11    |
| 2024/2025 | 11.5  |
| 2025/2026 | 12    |

- ATO increasing audit activity due to Single Touch Payroll
- Consequences of late payment:
  - Interest / penalties
  - Non-deductibility

# NON-CONCESSIONAL CONTRIBUTIONS (NCC)

## Who can make NCCs?

| Age at 1 July | 2022 FY     | 2023 FY onwards |
|---------------|-------------|-----------------|
| Under 65      | Yes         | Yes             |
| 65-66         | Yes         | Yes             |
| 67-74         | Work test + | Yes *           |
| 75 +          | No          | No              |

\* work test not required from 2023 FY

+ note one year extension to work test above

# How much?

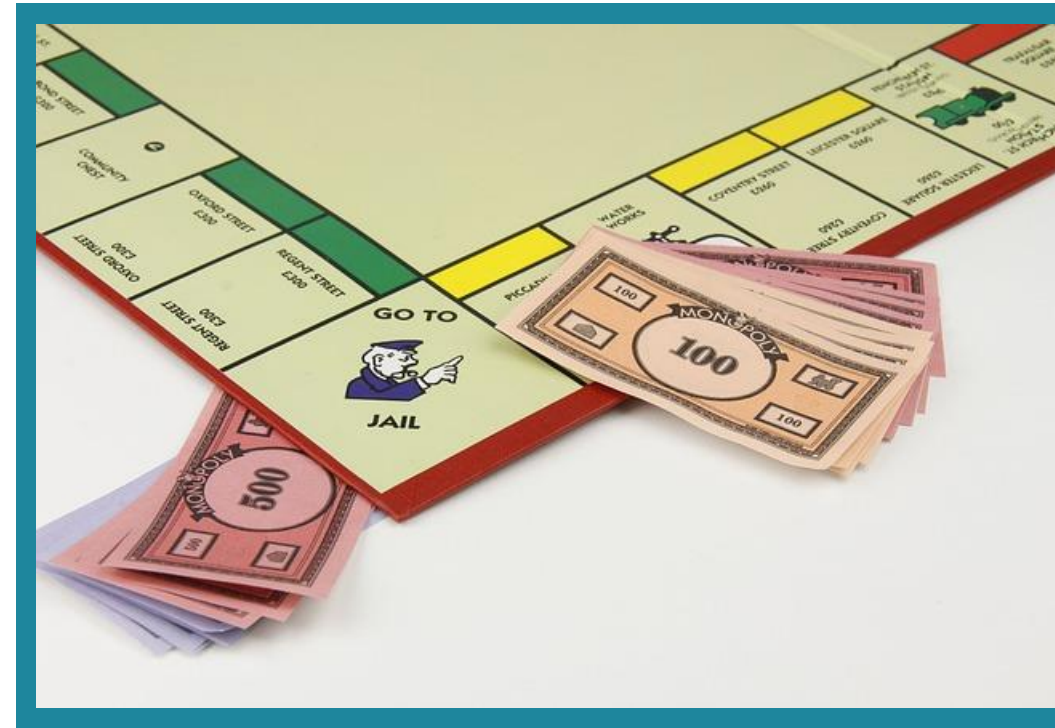
- From 2025 FY NC yearly Cap \$120,000

2025FY

- Nil if total super balance > \$1.9M at end of prior year.

2026FY

- Nil if total super balance > \$2M at 30 June 2025



# Bring Forward Arrangements

- Maximum bring forward 3 year cap of \$360,000.
- 2023 FY ongoing – under 75 at 1 July of current FY.
- Subject to Total Super Balance and age-based contribution rules.

## 2025 Thresholds

| TSB at end of prior year | NCC Cap for first year | Bring forward period |
|--------------------------|------------------------|----------------------|
| < \$1.66M                | \$360,000              | 3 years              |
| \$1.66M - \$1.78M        | \$240,000              | 2 years              |
| \$1.78M - \$1.9M         | \$120,000              | None, 1 year only    |
| \$1.9M or more           | nil                    | none                 |



## What is not a NCC?

- Downsizer
- CGT Election Amounts
- Personal Injury Payments

# Downsizer Contributions

- Maximum contribution of \$300,000 per individual.
- The home must be in Australia, have been owned by you or your spouse for at least 10 years and the disposal must be exempt or partially exempt from capital gains tax (CGT).
- You have not previously made a downsizer contribution to your super from the sale of another home or from the part sale of your home.
- Contribution made with 90 days of receiving sale proceeds
- Age requirement reduced to 55 from 2023 FY onwards. No upper age limit.
- Not counted towards NCC Cap.



# What is your Total Super Balance ?

- Check ATO Portal
- Add:
  - Accumulation and Retirement Phase Values
  - Rollovers in transit
  - Outstanding LRBA amounts??
- Less
  - Personal Injury Contributions
- Special rules for defined benefit interests.



# ALL THINGS PENSION

## Minimum Payments

| Age (as at 1 July or commencement date) | 2024FY onwards |
|---|----------------|
| Under 65                                | 4%             |
| 65-74                                   | 5%             |
| 75-79                                   | 6%             |
| 80-84                                   | 7%             |
| 85-89                                   | 9%             |
| 90-94                                   | 11%            |
| 95 +                                    | 14%            |

- What if there is a shortfall?
- Pension or Lump Sum Commutation?
- Under 60 – PAYG Summary
- 10% limit for TRIS's.

# Indexed Transfer Balance Cap

- Pre 1 July 2021 – everyone had \$1.6M TBC
- Then we had individual TBCs somewhere between \$1.6M and \$1.7M
- 2024FY onward somewhere between \$1.6M and \$1.9M
- And now from 1 July 2025, \$2M – easy isn't it.
- No automatic \$400K increase for those already in retirement phase.
- Increase based on highest ever personal TB as a ratio to their TBC on that day X index increase

# Indexed Transfer Balance Cap

- Start a pension in 2025FY or wait till 2026?
- If you start a \$1.9M pension in 2025 can you then put another \$100K in pension in 2026?
  - No....
- Wait till 1 July 2025 and start a \$2M pension?
  - Maybe, depends...

# Transfer Balance Reporting

- From 1 July 2023, most events need to be reports 28 days after the end of a quarter
- Common events you need to report
  - Commencement/Ceasing of retirement phase income stream
  - Reversionary death benefit income streams
  - Lump sum commutations from income streams

# Transfer Balance Reporting

- You don't report
  - Pension payments
  - Death of a member
  - An income stream ends as it has been exhausted
  - A transition to retirement income stream

# Land Tax

- NSW - \$1.075M - not indexed
  - QLD - \$350,000 - strata bodies taxed at strata level
  - VIC - \$50,000
- 
- Don't forget to included indirect holdings in Fixed Trust (i.e. have claimed threshold)

# Need more detail?

- Have a look at our prior topic-specific webinars – available at [trisuperauditors.com.au/insights/training](https://trisuperauditors.com.au/insights/training)
- Give us a call on **1300 874 787**
- Book in for a one-on-one Webinar for your Practice on the topics of your choice.

We are here to help.



# Q & A

*“I’ll take that  
as a comment...”*



# Feedback

*Thank you*



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