Transfer balance cap reporting

This chapter of the fund reporting protocol covers retirement phase events and reporting to commutation authorities.

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What to report

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Introduction

This chapter of the fund reporting protocol will cover the specifics of reporting retirement phase events, the associated reporting of responses to commutation authorities and advising those details to members.

There may also be other reporting obligations such as, but not limited to, opening or closing an account when you report a retirement phase event. The guidance for this reporting and the legislation underpinning it are found in the relevant fund reporting protocol chapter.

If you are reporting in regards to a successor fund transfer, go to the Successor and intra-fund transfer reporting protocol.

Legislative context

Section 390–5 of Schedule 1 in the *Taxation Administration Act 1953* (TAA), requires a super provider in relation to a super plan, give the Commissioner a statement about an individual, if the individual held a super interest in the plan at any time during the period specified in a determination under subsection 390–5(6) of Schedule 1 in the TAA.

Details of transaction data relating to the retirement phase interests of members must be reported to us in the approved form so that we can administer the transfer balance cap introduced by the *Treasury Laws Amendment (Fair and Sustainable Super) Act 2016*.

Retirement phase income stream reporting obligations associated with the transfer balance cap are event-based, not annual reporting. That is – providers will need to report every time there is a 'retirement phase event'. A retirement phase event is a transaction that results in a credit or debit in an individual's transfer balance account, see **Transfer balance account – credits and debits.** Section 307–80 of the *Income Tax Assessment Act 1997* (ITAA 1997) sets out when a super income stream is in the retirement phase and section 307–70 of the ITAA 1997 defines a super income stream.

From 1 July 2018 the approved form, for entities that are not Self-managed super funds (SMSFs), to report retirement phase events is the Member Account Transaction Service (MATS). A MATS report must link to a Member Account Attribute Service (MAAS) report. You will need to ensure that your MAAS reporting is up-to-date and accurate to ensure that your MATS report is properly assigned to the member. See Transitioning to event-based reporting – MATS and **CRT Alert 070/2017** *Approach to transitional year for event based reporting* for information on transitional arrangements for reporting retirement phase events using the transfer balance account report (TBAR) until on-boarding to MATS is completed.

For more information on reporting, see:

- Legislative Instrument F2018L00906: *Taxation Administration Member Account Transaction Service – the Reporting of Information Relating to Super Account Transactions 2018*
- **Member account reporting and validation chapter**

Consequences of late reporting

You should report retirement phase events to us as soon as practicable and no later than 10 business days after the event has occurred to ensure your member’s transfer balance account is updated.

If you do not report by the required date, you may be subject to compliance action and **penalties** and your member's transfer balance account may be adversely affected.

What to report

Your obligation is to report a retirement phase event type, event value and event effective date to us when:

- a retirement phase super income stream commences
- a death benefit income stream commences
- a retirement phase income stream is commuted voluntarily (this may include where a commutation is required in order to split the interest as a consequence of a family court order)
- an income stream stops being in the retirement phase
- certain limited recourse borrowing arrangement repayments are made

Specifications for this reporting are found in the MATS BIG.

You will also have **associated reporting obligations** when you:

- commute an amount in response to a commutation authority
- are unable to comply with a commutation authority because of a capped defined benefit income stream or because the member is deceased
- receive any structured settlement (personal injury) contributions.

For more information, see **Non-employer contributions**.

Some exclusions from retirement phase reporting

Transactions that **do not** need to be reported include:

- periodic pension payments
- investment earnings and losses
- when an income stream ceases because the interest has been exhausted from pension payments **or because the member has died**

- transactions that members report to us directly using a **Transfer balance event notification form** (NAT 74919). Typically, this is when the following events occur
  - family law payment split where the interest is retained by the member, but the payments are split to a non-member spouse
  - debit event from fraud, dishonesty, or bankruptcy
  - structured settlement contributions made before 1 July 2007.

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Reporting retirement phase event types

Explains how to report each retirement phase event, with examples.

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Super income stream

You need to report the commencement of all retirement phase super income streams. Generally, these afford a member the right to receive periodic payments from a super interest, for example a pension or annuity.

Reversionary income stream

Report a super income stream that automatically reverts to a nominated beneficiary on the death of its current recipient.

Note: It is important that you report the TFN and personal details of the beneficiary, **not** the details of the deceased member.

For closing and opening the account in MAAS, see **Member account transaction and attribute service reporting**.

Child death benefit income stream

Report a child death benefit income stream where a dependent child receives a death benefit income stream because of the death of a parent.

Reversionary child death benefit income stream

Report a reversionary child death benefit income stream where a super income stream automatically reverts to a dependent child because of the death of a parent.

Note: It is important that you report the TFN and personal details of the beneficiary, **not** the details of the deceased member.

For closing and opening the account in MAAS, see **Member account transaction and attribute service reporting**.

Member commutation

A member commutation is the process of ceasing, in whole or in part, a super income stream and converting it into a super lump sum. The member may take the lump sum as a benefit or commute it back to accumulation in the same fund, start a new income stream in the same fund or roll the amount over to a different fund. A member commutation should be reported in all circumstances where a voluntary commutation occurs (that is – with the exception of when a commutation is made in response to a commutation authority).

A member commutation should also be reported because a commutation is required to split the interest as a consequence of a family court order. Where the interest is retained by the member, but the payments are split to a non-member spouse then a member commutation is not reported by the fund. This information is reported to us by the member or non-member spouse using a **Transfer balance event notification form** (NAT 74919).

Income stream stopped

This event type is used to report when an income stream stops being in the retirement phase. This does not relate to a member commutation or non-compliance with a commutation authority. The most likely use of this reporting event is if the income stream fails to meet the minimum pension payment standards.

Do not report a stopped income stream due to the interest being exhausted through income stream payments. There are no reporting obligations in this situation.

You are not required to report an income stream has stopped due to a deceased member. If the income stream results in the payment of a death benefit income stream, that event would need to be reported as a credit event for the beneficiary with the personal details and TFN of the beneficiary **not** the deceased, see Reporting retirement phase events for deceased members.

Limited recourse borrowing arrangement (generally only applicable for SMSFs)

Report each transfer balance cap credit arising from the repayment of a limited recourse borrowing arrangement which commenced from 1 July 2017 for a member with a retirement phase account.

Examples

All examples in this chapter deal only with the transfer balance cap reporting requirements. Requirements to open, close or update accounts are found in the **Member account transaction and attribute service reporting**.

Example 1: non-reversionary death benefit income stream

Don Bradfield is in receipt of a non-reversionary income stream and dies on 12 March 2019. Don's income stream is commuted to a lump sum on 30 May 2019 and is paid to start a death benefit income stream for his wife Mary within the same fund. No retirement phase event reporting is required for Don. The fund needs to report a new super income stream (SIS) for Mary effective as at 30 May 2019.

Example 2: minimum payment not made

In example 1, Mary's new income stream starts on 30 May 2019. The fund notes on 10 July 2020 that the minimum pension payment has not been made for Mary for the 2019–20 financial year. The fund reports that the income stream stopped (STO) using the full value of the income stream at the end of the 2019–20 financial year. The effective date reported for this event is 30 June 2020. Mary fully commutes the income stream on 31 July 2020, but this commutation does not need to be reported for transfer balance cap purposes because the income stream is not in retirement phase at that time. She then starts a new retirement phase income stream that complies with the pension or annuity standards on 1 August 2020 and the fund reports this as a new income stream (SIS) reporting the value as at 1 August 2020.

Example 3: reversionary death benefit income stream then rolled over

From example 1 –, Don's income stream is reversionary and reverts automatically to Mary. The fund (Fund A) reports a reversionary income stream (IRS) for Mary effective 12 March 2019 which will not generate a credit to Mary's transfer balance account until 12 months later. No retirement phase event reporting is required for Don.

Mary's income stream is then rolled over to Fund B on 20 April 2019. Fund A reports a member commutation (MCO), and Fund B reports a super income stream (SIS), both do this effective 20 April 2019.

Example 4: reversionary child death benefit income stream

From example 1 – Don's income stream reverts automatically to his dependant daughter Beverley. Fund A reports a child reversionary income stream (ICR) for Beverley effective 12 March 2019. No reporting is required for Don.

Beverley's income stream is then rolled over to a different fund on 20 April 2019, Fund A reports a member commutation (MCO), and Fund B reports a child death benefit income stream (ICB).

Example 5: – suspended income stream which is then re-started

In example 4, Beverley is being paid a child death benefit income stream from 20 April 2019. Due to the fund rules and Beverley's unique circumstances, the income stream is suspended on 23 August 2019. The fund will report a stopped income stream (STO) effective 23 August 2019 using the value of the income stream immediately before it was suspended. On 23 December 2019 Beverley's income stream starts again. The fund reports a new income stream (SIS) effective 23 August 2019 using the value of the income stream on that date.

For more information, see **Transfer balance account debits and credits**.

Reporting retirement phase events for deceased members

An individual's transfer balance account ceases on their death. There are no transfer balance cap reporting requirements for a deceased member for transactions that occur with an effective date after the date of death. However, if an event that occurred before the date of death hasn't been reported, this still needs to be reported. For example, if a super income stream commences and the member dies before it is reported, it must be reported.

Example 6: member starts an income stream and dies prior to fund reporting

Denise Black starts an income stream with her fund on 2 September 2019 and dies on 9 September 2019. Her income stream is auto reversionary and reverts to her husband Tom on 9 September 2019. The fund had not yet reported for Denise at the time of her death but does so on or before 16 September 2019. The fund reports the income stream (SIS) effective 2 September 2019 and does not report anything further for Denise. The fund then reports a reversionary income stream (IRS) for Tom effective 9 September 2019 and does so on or before 23 September 2019.

Example 7: member starts a new income stream and rolls over to a new fund

From example 6, Denise starts her income stream with Fund A on 2 September 2019 and rolls it over to Fund B on 5 September 2019. Denise dies on 9 September 2019 before either fund has reported. Being a reversionary income stream, which is paid automatically to Tom, it reverts to Tom in Fund B on 9 September 2019.

Fund A reports an income stream for Denise effective 2 September 2019 and a member commutation (MCO) for Denise effective 5 September 2019. Fund B reports an income stream for Denise effective 5 September 2019 and nothing further for Denise. Fund B then reports a reversionary income stream (IRS) for Tom effective 9 September 2019.

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Reporting corrections

How to correct an incorrect report and correct reporting due to a change in the law.

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Correcting an incorrect report

Where information submitted is identified as being incorrect, the original lodgment will need to be cancelled before a new one is lodged with the correct information.

To ensure the correction is processed sequentially by our systems, good practice is to send the cancellation request prior to lodging the corrected information.

While not mandatory, reporting the corrected transaction should be done subsequent to but on the same day as the cancellation where possible so that the member does not receive multiple assessments.

The instructions specific to the lodgment channel used by the provider contain further information on how to amend incorrect retirement phase events.

Example 8: reporting originally incorrect

John Field starts to receive a reversionary income stream on 31 July 2018. Fund A incorrectly reports this income stream as a super income stream (SIS) rather than as a reversionary income stream (IRS) and John receives a determination for excess transfer balance cap. John calls the fund and the fund lodges a cancellation of the original transaction and reports a new IRS event for John.

Example 9: reporting correction due to change in unit pricing

Patrick Swenson is receiving a transition to retirement income stream in accumulation phase but turns 65. His fund now reports a super income stream for him (SIS) using the value on the date he turned 65 based on the last available unit price. After lodging this report, a 'tax-free unit price' is determined for the date he turned 65, which is different to the unit price used for the previous valuation. The fund cancels the previous SIS report and re-reports using the updated unit price.

For information on amendments, see **Amending transactions, balances and events**.

Incorrect reporting due to a change in the law

Where the law affecting the transfer balance cap is changed, funds may need to re-report in order to comply with the updated legislation. The same processes listed under Correcting an incorrect report should be followed.

Example 10: correctly reporting the commencement of a market linked pension after 1 July 2017

On 1 July 2018, Leanne purchased a market linked pension (new credit) valued at $2.1 m directly from the underlying account balance lump sum from the commutation of their CDBIS market linked pension (the debit). As her new market-linked pension commenced after 1 July 2017, it is no longer a CDBIS for transfer balance cap purposes.

The original credit for the CDBIS market linked pension was valued on 1 July 2017 at $2.4 million. There was no transfer balance excess as it was a CDBIS.

New regulations affecting the calculation of Leanne's pension were registered in April 2022.

Under the regulations, the debit and credit for the commutation of the original CDBIS and the commencement of the new pension should be reported in Leanne's transfer balance account with an effective date of 5 April 2022, when the regulation commenced. This will ensure excess transfer balance amounts are treated correctly.

A value of $2.1 million is attributed to the commutation of the old CDBIS (the original debit), being the original credit value less the total pension payments made before the commutation of the old product since 1 July 2017. The underlying account balance of the lump sum when the old CDBIS was commuted was $1.8 million (the new credit).

Leanne will receive a determination of her excess transfer balance amount which will include the excess and the associated earnings that accrue from 5 April 2022. There will be no transfer balance credits for deemed earnings between 1 July 2018 to 5 April 2022.

Unless Leanne chooses to commute the excess amount from another account based pension (if available), the fund must wait until it receives the Commissioner's Commutation Authority before it can commute any excess amounts from the new market-linked pension.

Variations of Example 10 based on previous reporting

As the regulations registered in April 2022 can affect transactions as far back as 2017, funds may find themselves in different reporting situations:

- If you have not reported either the commutation (debit value) or the credit that arose when the member commenced, the new pension or annuity, then you will need to report the value of both the debit (commutation) and the credit on commencement of the new pension or annuity, with a reported effective date of 5 April 2022.
- If you have reported the commutation debit value as nil and not reported the credit that arose when the member commenced the new pension or annuity, then you will need to re-report the actual value of the debit (commutation) and report the credit on commencement of the new pension or annuity, both with a reported effective date of 5 April 2022.
- If you have reported the commutation debit value as nil and reported the credit that arose when the member commenced, the new pension or annuity, then you will need to re-report both the actual value of the commutation debit and the credit on commencement of the new pension or annuity, with a reported effective date of 5 April 2022.

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Other associated reporting

How to comply with a commutation authority and what you have to report to us.

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Commutation authority requirements

A commutation authority is a notice the Commissioner issues to a super income stream provider requiring the provider to commute an amount of a specified super income stream. This is issued when we have not received reporting to indicate that the member has voluntarily commuted the amount stated in an excess transfer balance determination.

Your obligations in relation to a commutation authority are detailed in sections 136-80 to 136-90 in Schedule 1 of the TAA.

You must comply with a commutation authority and report to us using the approved form, which is currently the transfer balance account report (TBAR), within 60 days of the notice issue date, telling us whether you have:

- complied with the commutation authority in full, by commuting the full amount stated in the notice (CC1)
- complied with the commutation authority in part, by commuting the maximum available release amount, even if this amount is nil (CC2)
- not complied with the commutation authority because

- the member is deceased (CC3)
- we issued the commutation authority in relation to a capped defined benefit income stream (CC4).

If you do not comply with the commutation authority or tell us why you have not done so, using the approved form, the income stream will stop being in the retirement phase and this will affect entitlement to exempt current pension income. You may also be liable for penalties or subject to compliance action.

For more information, see **Transfer balance account report instructions**.

Commuting from an income stream with a different account identifier

When we send you a commutation authority it is related to a particular income stream for a member. You can only comply with the commutation authority in relation to that specific income stream.

To help you identify which income stream you need to commute we will provide the member account identifier you used when you reported this income stream to us as a retirement phase event.

If you have changed the account identifiers for this income stream but the income stream itself has never ceased, we expect that you will have completed the associated member account reporting for this change and that you will be able to identify the correct income stream and action the commutation authority.

If the income stream referred to on the commutation authority has actually ceased, you must report to us in the approved form that the maximum available release amount is nil, and the account is closed.

You should not process a commutation authority to remove the commutable amount from a different income stream. If further commutations are required to bring the member back under their transfer balance cap, we may send further commutation authorities to you or to other income stream providers.

Contacting your member when you receive a commutation authority

If you receive a commutation authority, you should make reasonable efforts to contact the member and discuss their options which are to retain the commuted amount in an accumulation account or cash it as a lump sum. If you cannot contact the member, you should commute the amount in the way that you judge to be in the member's best interests. If you require guidance regarding what is in your members' best interests, you should seek this from your regulator.

In addition to reporting to us when you comply with a commutation authority, you must also notify your member. As there is no standard tax form for providing the required information, you can use your own business processes. You will meet the approved form requirements provided you include the following details in the correspondence you send to your member:

- the member's details, including name (include enough member personal information to ensure it is clear to which member the account belongs)
- details from the commutation authority
  - issue date
  - due date
  - income stream account number
  - unique super identifier (if applicable)
  - member client identifier (if applicable)
  - the amount to commute
- details of the lump sum commuted (where a lump sum was paid in accordance with a commutation authority)
  - the amount
  - the date it was paid.

You must also declare on the correspondence that the information it contains is 'true and correct' and sign it.

Where you did not commute any amount in response to a commutation authority because the maximum available release amount is nil or where you chose not to comply because the member is deceased, you are not required to notify the member (or their estate) of this, however it may be good practice to do so.

Where you chose not to comply because the income stream is a capped defined benefit income stream, you must notify your member of your choice not to commute the amount. Although it is not legally required, it may be good practice to also advise your member of the reason you were unable to comply.

There is an administrative penalty if you do not notify your member of your response to the commutation authority within 60 days of the issue of the commutation authority, when this is required.

Proportioning rules

In contrast to the manner in which you action a release authority, you will need to apply the proportioning rules when actioning a commutation authority, see **Calculating components of a super benefit**.

A commutation of a super income stream occurs where the member consciously and validly exercises their right to exchange some or all of their entitlement to receive future super income stream benefits for an entitlement to be paid a super lump sum. A commutation also occurs when a super income stream provider converts a super entitlement to a super lump sum in compliance with a commutation authority.

The super lump sum that arises from a commutation may be cashed out of the super system, or can be retained within the super system, that is, transferred back to an accumulation account, subject to the cashing restrictions for super death benefits.

In either instance, the commutation is a super benefit and the proportioning rules in Division 307 of the ITAA 1997 apply. In the instance where the lump sum is paid to a member, the commutation is clearly a super benefit and the proportioning rules apply. In the event that the commuted amount is retained in the super system, the commuted amount is considered to be a super benefit to which the proportioning rules apply by virtue of subsection 307–5(8) of the ITAA 1997 which states that where an amount is transferred from one super interest in a super plan to another super interest in the same plan, the transfer is treated as a payment.

For more information on income streams and transfer balance cap, see:

- TR 2013/5 *Income tax: when a super income stream commences and ceases*

- LCR 2016/9 *Super reform: transfer balance cap*.

Commutation authorities for deceased members

Under subsection 136–80(3) of the TAA a super provider can choose not to comply with a commutation authority if the retirement phase recipient has died. In other words, if you are aware the member is deceased, you do not need to action the commutation authority even though you may still be processing the deceased member's affairs. However, if you have commuted an amount in response to the commutation authority before the member died, this must be reported.

Note: We do not intend to issue a commutation authority where we are aware that an individual is deceased. However, there may be instances where we are not aware or where the member dies between the issue date of the commutation authority and the date the fund actions the commutation authority.

Examples

Example 11: fund commutes the full amount

Member Joan Aitchison receives an excess transfer balance cap determination and does not voluntarily commute the amount within the determination period. The fund then receives a commutation authority for Joan's account and can comply with the commutation authority in full because the account balance is larger than the amount on the commutation authority. The fund commutes the amount by the due date on the commutation authority. The fund **does not** report an MCO in MATS; the fund lodges a TBAR reporting the commutation as a CC1 and notifies Joan of the details.

Example 12: fund commutes a partial amount

From example 11, the fund can comply with the commutation authority, but in this case the maximum available release amount is less than the amount on the commutation authority. The fund fully commutes the income stream by the due date and **does not** report an MCO in MATS. The fund lodges the TBAR reporting a CC2 and notifies Joan.

Example 13: fund commutes in full and then member dies

From example 11, the fund receives a commutation authority for Joan and can comply with it in full by the due date leaving a residual income stream balance. Joan dies before the fund has reported the commutation authority and the income stream is automatically reversionary to her spouse Peter. The fund lodges a TBAR reporting the CC1 for Joan and notifies Joan's estate. The fund reports nothing further for Joan on her death; the fund reports an IRS event for Peter for the residual income stream value.

Example 14: member dies prior to the receipt of the commutation authority

From example 13, but the fund receives the commutation authority for Joan after she has died. As the income stream was automatically reversionary to Peter, the fund lodges a TBAR reporting a CC3. The fund chooses not to notify the estate and reports nothing further for Joan on her death. The fund reports the IRS for Peter.

Example 15: fund actions an MCO then receives a commutation authority prior to reporting

As per example 11, except Joan arranged directly with her fund to commute the amount even though it was after her determination due date had already passed. The fund was not aware of the determination due date, as Joan had not disclosed this, and therefore the fund commuted the amount and reported it as an MCO in MATS.

The fund then receives a commutation authority for Joan's account which had been sent prior to the receipt of the MCO reporting. As the fund is required by law to commute the amount in full or whatever partial amount is available by the due date, a fund staff member contacts Joan to ask whether she would like the amount commuted and paid to her as a lump sum or whether she would like it to remain in an accumulation account. Joan states that she has already reduced her transfer balance account below the cap and does not want the amount commuted at all.

The funds contact us by lodging a request using **Super enquiry service** and requests information on whether there is likely to be a commutation authority revocation issued. We confirm that it is issuing a commutation authority revocation since receiving further reporting and the fund is not required to action the commutation authority.

Note: Assistance from us directly to a fund will be limited to confirmation of reporting that has been received or is being sent to that specific fund. If a member has commuted from another fund to bring their transfer balance account under the cap, we will not be able to advise of this to a different fund. However, we would still be able to advise of any revocation that may be on its way to your fund.

In many instances it would be more effective for the member to check ATO Online or call us to discuss what retirement phase event reporting has occurred prior to a fund making contact with us on behalf of the member.

Example 16: change of account identifiers for the same income stream

Betty starts an income stream, and the fund uses the member account number of 00012345. After a registry system migration, the fund changes the account number for Betty's income stream to ABC123. The fund receives a commutation authority for Betty's account 00012345 and has put systems in place to recognise that account 00012345 is now account ABC123. The fund can comply with the commutation authority in full, as the income stream has not stopped or changed, and commutes the required amount from income stream ABC123 by the due date. The fund does not report an MCO for MATS, it lodges a TBAR reporting a CC1 and uses account number 00012345 to match the commutation authority and avoid further ATO contact questioning the account number. The fund notifies Betty using whichever account number will be most meaningful for her.

Note: If your systems do not allow you to report the TBAR with the legacy account number, we understand that you will need to use the new member account number. Keep in mind that we **may** need to make further contact with you to clarify what has occurred in these instances.

Example 17: fund reports CC1 and then receives a variation to the commutation authority

A fund receives a commutation authority for an account held by John Rochester and commutes the amount in full by the due date. Before the fund lodges the TBAR reporting CC1, the fund receives a variation to the commutation authority which reduces the amount. No further commutation is required. The fund lodges the TBAR reporting CC1 with the original amount as intended and notifies John. Note that the fund may want to let John know that the amount commuted was higher than required by the varied commutation authority and therefore John may have cap space available.

Example 18: fund receives a commutation authority after the account is closed

As per example 16, but the fund receives the commutation authority for John, but the account is closed because the interest has been exhausted from pension payments. The fund lodges the TBAR reporting CC2, the value is nil and the answer to whether the account is closed is Yes.

Note: This does not satisfy your requirement to report a closed account; you would already have reported this account as 'closed' using the relevant service.

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Guidance for your members

If your member is in excess of the transfer balance cap and we've issued an excess transfer balance determination.

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Where your members are in excess of the transfer balance cap and we have issued them with excess transfer balance determinations, they must commute the whole amount, including any cents. You are required to report the full amount of the commutation (including cents) to us as a member commutation.

Your member can use the **excess transfer balance election form** to allow us to issue a commutation authority to a different super income stream account or provider to the one identified in the excess transfer balance determination. Your member has 60 days from the issue date of their excess transfer balance determination to make an election.

Note: Once an election has been made it is irrevocable. That is, your member will not be able to withdraw or amend their election.

Where your member makes contact with you, it will help them if you explain that they can voluntarily commute from their income streams rather than waiting for us to send a commutation authority.

Acting quickly to voluntarily rectify the excess will reduce the amount of excess transfer balance tax your members will have to pay.

If a member commutes during the determination period and you have not reported this to us by the required date, a commutation authority will issue to the fund listed in the member's default commutation notice. If we later receive the reporting before the commutation due date and you have not taken any action in response to that commutation notice we may revoke the commutation authority. Where something like this occurs, we would expect you or the member to contact us.

Where the member does not voluntarily commute the excess, or the amount commuted is less than the required amount on the determination, then we will issue a commutation authority to the provider, including any cents that may be remaining.

Example 19: Member calls the fund

Joan from **example 15** doesn’t act alone; instead, she calls the fund to advise that an ETB determination has been issued by the ATO and she seeks confirmation from the fund about the amount they reported and the process to meet obligations. The fund obtains from Joan the due date of the determination and advises her that if they action a member commutation now, it won’t be completely processed and reported to us before the required date on her determination. The fund advises Joan to call us and seek an extension of time for 30 days then to complete a request to commute with the fund, ensuring the full amount on the determination is covered by the request (including cents, or rounded up to nearest dollar). Once the fund receives the request, it actions the commutation and reports an MCO for Joan.

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Our commitment to you

We are committed to providing you with accurate, consistent and clear information to help you understand your rights and entitlements and meet your obligations.

If you follow our information and it turns out to be incorrect, or it is misleading and you make a mistake as a result, we will take that into account when determining what action, if any, we should take.

Some of the information on this website applies to a specific financial year. This is clearly marked. Make sure you have the information for the right year before making decisions based on that information.

If you feel that our information does not fully cover your circumstances, or you are unsure how it applies to you, contact us or seek professional advice.

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