SMSF contributions and rollovers

How to deal with contributions, deduction notices, rollovers and release authorities.

Accepting contributions

Understand the rules for what contributions you can accept as trustee of a self-managed super fund (SMSF).

Returning contributions

Restrictions on returning SMSF contributions and the limited circumstances when contributions can be returned.

Actioning personal contributions deduction notices

What trustees must do to respond to eligible members claiming personal super contributions tax deductions.

Rollovers for SMSFs

What trustees need to know about self-managed super fund (SMSF) rollovers and how to action them.

Responding to release authorities issued to SMSFs

What a release authority is and how your SMSF needs to respond.

QC 103941

Accepting contributions

Understand the rules for what contributions you can accept as trustee of a self-managed super fund (SMSF).

Last updated 2 April 2025

On this page

Contributions you can accept

As a self-managed super fund (SMSF) trustee, you can only accept allowable contributions. For a contribution to be allowable:

- it must be an accepted type of contribution, such as
  - mandated employer contributions
  - non-mandated contributions
  - in-specie contributions
- the member must meet age restrictions
- member contributions can only be accepted if the SMSF also has the member's tax file number (TFN).

You must:

- properly document contributions, including the amount, type and breakdown of components

- allocate them to the member's account within 28 days of the end of the month in which you received them
- accurately report contributions made to your fund during the financial year in your SMSF annual return.

Member's tax file number

When a member joins your fund, you should ask for their TFN and give it to us. You can do this when you register the fund or when a new member joins.

A member is not required by law to give their TFN. However, if they don't:

- your fund can't accept member contributions for them, such as personal and eligible spouse contributions
- your fund will have to pay additional tax on their mandated employer contributions
- there may be administrative delays if we can't identify the member from the other information you've provided
- the member may not be able to receive **super co-contributions**.

If the member hasn't provided their TFN and you've accepted member contributions for them, you'll need to **return the contribution** within 30 days of becoming aware of the contribution. However, if they provide their TFN within 30 days of receiving the contribution, you don't have to return the amount.

If you receive employer contributions on behalf of a member and you pay additional income tax because you did not have your member's TFN, you may be able to claim a **tax offset** in a later financial year if the member later gives you their TFN.

Mandated employer contributions

Mandated employer contributions are contributions made by an employer under a law or industrial agreement for the benefit of a fund member. They include superannuation guarantee contributions.

You can accept mandated employer contributions for members at any time, regardless of their age or the number of hours they're working.

If your SMSF receives contributions from employers (other than related-party employers), your SMSF will need an **electronic service address** (ESA).

Non-mandated contributions

Non-mandated contributions are any super contributions not required by law. They include:

- contributions made by employers over and above their super guarantee or award obligations (such as salary sacrifice contributions)
- member contributions – these are contributions made by or on behalf of a member, such as
  - **personal contributions**
  - eligible proceeds from main residence disposal (**downsizer super contributions**)
  - **super co-contributions**
  - eligible spouse contributions
  - contributions made by a third party, such as an insurer
- **re-contributing COVID-19 early release super withdrawals**.

When you can accept non-mandated contributions

For members under 75 years old

From 1 July 2022, you can accept all types of non-mandated contributions, including **downsizer super contributions** (where the member has reached **eligible age**).

For a member turning 75, contributions must be received no later than 28 days after the end of the month they turn 75.

Between 1 July 2020 and 30 June 2022, you could accept all types of non-mandated contributions for members under 67. If the member was between 67 and 75, they needed to satisfy the work test or the work test exemption before you could accept non-mandated contributions.

To satisfy the work test the member must have been gainfully employed for at least 40 hours during a consecutive 30-day period.

Where members don't meet the work test, non-mandated contributions can be accepted for an extra 12 months where:

- they satisfied the work test in the financial year before the contribution was made
- their total super balance was less than $300,000 at the end of the previous financial year
- the work test exemption hasn't been used in a previous financial year.

Before 1 July 2020, for members that were between 65 to 75, you could only accept non-mandated contributions if they met the work test or the work test exemption.

For members 75 years old or older

You generally can't accept non-mandated contributions. However, you can accept downsizer contributions (there is no maximum age limit) if you have the member's TFN.

Super co-contributions and employer contributions that relate to a valid contribution period for the member can be accepted at any time.

In specie or non-monetary asset contributions

'In specie' contributions are contributions to your fund in the form of a non-monetary asset.

Generally, you must not intentionally acquire assets (including in-specie) from related parties of your fund. However, there are some exceptions to the rule, including:

- listed shares and other securities
- business real property (land and buildings used wholly and exclusively in a business).

QC 23325

Returning contributions

Restrictions on returning SMSF contributions and the limited circumstances when contributions can be returned.

Last updated 2 April 2025

On this page

Contributions that must be returned

Under superannuation law, a self-managed super fund (SMSF) trustee can only return a super contribution if:

- it can't be accepted due to contribution restrictions
- the contribution was made in error and the return is authorised by the legislation.

Contribution restrictions

Super law requires a fund trustee to only **accept allowable contributions**. Whether you can accept a contribution is dependent on:

- the age of the member for whom the contribution is made
- whether you have a valid tax file number (TFN) for the member

If your fund returns an amount it couldn't accept, it doesn't need to be reported in the SMSF annual return if it was returned within the 30-day grace period.

Contribution made in error

Contributions can only be returned in specific circumstances defined by legislation.

A contribution is only considered an error if the cash or assets were not intended to go to the SMSF and were deposited by mistake.

It is not considered an error if the transfer was intentional but the contributor later changed their mind.

Contributions generally can be returned if the:

- payment was meant for someone else
- contributor thought they were legally required to contribute when they didn't have to.

Contributions generally can't be returned if the contributor:

- regrets making the contribution
- their agents made an error in their decision to contribute.

Contributions returned in accordance with the law of restitution don’t count towards the member's contributions cap. The fund may need to amend its reporting to account for returned contributions.

In circumstances where the law doesn't allow the contribution to be returned, the fund must continue to report the contributions that were received in the SMSF annual return, even if they were returned.

For more details about what is classed as a mistake and the law of restitution, see ATO Interpretative Decision ATO ID 2010/104 *Superannuation – Excess contributions tax: restitution of a 'mistaken' contribution*.

Timeframe to return contribution

You have 30 days from when you become aware that you can't accept the amount, or from when it was contributed in error, to return it to the contributor. For an SMSF, we consider you're aware that a contribution is in breach of the law when you become aware of the contribution itself. This would be on the day you receive the contribution.

Under the Superannuation Industry (Supervision) Regulations (SISR) subregulation 7.04(4), you must return the amount, even if more than 30 days have passed since you became aware of the obligation.

If you don't return contributions within the 30-day grace period, your fund can:

- be made non-complying
- stop receiving concessional tax treatment.

Example: contribution not returned within 30-day timeframe

Beatrice is 77 years old, retired and both a trustee and member of an SMSF. She makes a $100,000 personal member contribution to the fund on 31 January 2023.

During the audit of her fund in August, the SMSF auditor points out that the fund has not complied with super laws because the:

- fund didn't consider the restrictions on the contributions due to Beatrice's age
- amount was not returned within 30 days of it being made.

Although Beatrice made the contribution, she claims that the fund wasn't aware that it had breached contribution restrictions. This is because her bank only issues paper statements every 6 months and she received the statement covering her contribution in early July 2023.

As Beatrice is both a member and trustee of the SMSF, the fund is considered to have been aware of contribution restrictions.

It is not reasonable that a trustee, acting with the level of care, skill and diligence required of a trustee, did not check the requirements of the fund within the required timeframe.

In addition to an administrative penalty of 20 units, the trustee must return the excess amount. If this does not occur, we may also give Beatrice's SMSF a rectification direction requiring the excess amount of the contribution to be returned within a specified timeframe.

QC 21807

Actioning personal contributions deduction notices

What trustees must do to respond to eligible members claiming personal super contributions tax deductions.

Last updated 2 April 2025

Member intends to claim a deduction

If a member intends to claim an income tax deduction for their own **personal superannuation contributions**, they must:

- meet the **eligibility requirements** to claim the deduction
- notify you of their intent to claim.

The member must give you the notice in an approved form (or variation of notice) by the earlier of the:

- time they lodge their personal income tax return for the financial year during which the contribution was made
- end of the financial year following the year the contribution was made.

Responding to a notice of intent to claim

You must check your member's notice is valid and then acknowledge it without delay.

The notice will only be valid if:

- the member provides it in the approved form
- when the member gave you the notice
  - they were a member of the SMSF

  - the fund still held the contribution (ensure a partial rollover hasn't occurred that included the contribution)
  - the fund had not paid a lump sum nor commenced paying a superannuation income stream based on whole or part of the contribution
- it is related to the contribution
- it doesn't include all or a part of an amount covered by a previous notice
- it is a variation notice that is decreasing the amount to be claimed
- it only relates to personal contributions
- the fund has not processed a contribution splitting application for that contribution.

The following are not personal contributions:

- rolled over super benefits
- benefits transferred from a foreign super fund
- salary-sacrificed amounts.

If you determine that the notice is not valid, you must advise the member of this, and the member will not be able to claim a deduction for the personal contribution made.

You should always advise members of the reason their notices are rejected and of any actions they can take to ensure their notices are valid.

Approved forms for notices

You must ensure members have used an approved form to provide the notice. If the notice doesn't contain all required information, it will not be valid.

An approved form is one of the following:

- **Notice of intent to claim or vary a deduction for personal super contributions** (NAT 71121) paper form.
- A branded paper form you provide, which specifies all the information contained in the NAT 71121 paper form. You should also provide them with the instructions for completing the form.

- A letter stating that they wish to claim a tax deduction for their personal super contributions and containing the following information
  - full name and date of birth
  - fund name and member account number
  - the financial year in which the contributions were made
  - the amount covered by their notice
  - the amount they intend claiming as a tax deduction
  - a declaration that they are lodging the notice by the due date, that is, by the earlier of the following
    - the day they lodged their income tax return for the year in which they made the contributions
    - the end of the income year following the one in which they made the contributions
  - a declaration that the information contained in their letter is correct and complete
  - their signature and the date.
- An electronic form given to you by the member, provided that the form was developed in accordance with the Guide for super funds to develop a virtual (electronic) form version of the Notice of intent to claim or vary a deduction for personal super contributions.

Acknowledging notices

You must check your member's notice is valid and then acknowledge it without delay.

Your acknowledgement should include:

- a clear statement that you have received their notice of intent to claim a deduction
- the date
  - your fund received the notice
  - your fund received any subsequent variations

  - of the acknowledgment
- the member's account and fund details
- the total amount of personal contributions that the notice covers and, of those, the amount the member intends to claim as a deduction
- the date the contributions were made or the financial year they were made in.

This information is required so:

- your members can claim the deductions they're entitled to
- super co-contributions and excess contributions tax are correctly applied.

You may refuse to acknowledge the notice if the value of the relevant super interest on the day you received the notice is less than the tax that would be payable by you on the contribution

Additional requests for acknowledgment

When your members have lost or failed to receive your acknowledgment they may request a new acknowledgment.

In these circumstances, you can either provide them with a:

- copy or duplicate of the original acknowledgment
- new acknowledgment (confirming their original notice is valid).

Accepting a variation

You can only accept a variation that reduces the amount of the deduction to be claimed (including reducing it to zero).

If your member wants to increase the amount they intend to claim as a deduction, they must lodge a separate notice of intent to claim a deduction for the additional amount.

Generally, variations must be made by the same time as required for the original notice.

If we have disallowed a member's deduction and a variation is being made to reduce the amount claimed by the amount not allowable, the deadline doesn't apply.

Variations will be invalid and can't be accepted if the:

- person is no longer a member of the fund
- fund no longer holds the contribution
- fund has begun paying an income stream based in whole or part on the contribution.

If members write a variation letter to you, they need to include:

- the same information as in their original notice
- a statement that they wish to vary their previous notice to reduce the amount claimed
- the amount they now intend to claim (which can be zero)
- a signed declaration that they are providing this variation within the relevant timeframe.

QC 42470

Rollovers for SMSFs

What trustees need to know about self-managed super fund (SMSF) rollovers and how to action them.

Last updated 2 April 2025

On this page

Correcting a mistake

Rollover requirements

A rollover is when a trustee of a super fund transfers superannuation between funds, at the request of a member. This may include all or some of the member's existing super balance.

It's a legal requirement for rollovers to be processed electronically, using 2 components:

- a data message
- a separate payment transfer for each data message.

There are some exceptions to electronic rollovers.

Trustees must complete the rollover no later than 3 business days after receiving all the required information. Systems must be in place to action the requests. If your fund doesn't meet this requirement, it could receive a compliance breach.

Your rollover may fail if trustees do not ensure the following requirements are met:

- you engage an **SMSF messaging provider** to obtain an active electronic service address (ESA) that offers rollover services
- you update your ATO records to notify us of the ESA
- your SMSF has an Australian business number (ABN)
- your SMSF has a **'complying' or 'registered' status** on Super Fund Lookup
- member and fund details held by us, the sending fund and the receiving fund are **up-to-date** and identical – for example, where the member name is recorded as 'Sue' with the fund and 'Susan' with us, this will prevent the rollover
- you contact the transferring fund to understand any proof of identity (POI) requirements
- you have a unique financial institution account for your SMSF recorded with us.

We strongly encourage all SMSFs to be established with a unique bank account. However, it's acknowledged there are some administrative platforms that offer omnibus accounts, where the assets of multiple funds are combined under a single account in the name of a single custodian.

As trustee, it is your responsibility to ensure the SMSF is investing in a legitimate product and the risks of investing in a product with an omnibus account feature are understood. The use of omnibus accounts may result in further enquiry and/or delay with some transactions.

ESAs can expire over time. It is important to make sure yours is still active with your provider. Contact them for more information.

To record your fund's active ESA details with us, you can:

- use the **Profile** menu in Online services for business
- contact a registered agent
- phone us on **13 10 20**.

How to action rollovers

The process to action a rollover will depend on whether you're rolling super into or out of your SMSF. Follow the steps for rollovers from:

- an APRA-regulated fund to your SMSF
- your SMSF to an APRA-regulated fund
- your SMSF to another SMSF.

Rollovers from an APRA-regulated fund to your SMSF

Step 1: Member requests a rollover

Members should engage with their APRA-regulated fund to:

- ensure their details held with the APRA-regulated fund and with us are an exact match – any mismatch could delay or prevent processing
- discuss what POI documents may need to be provided – for example, a marriage certificate or SMSF bank account details.

Members can request a rollover through:

- the APRA-regulated fund – whole of balance transfers or partial transfers can be made this way
- ATO online services – only whole of balance transfers can be made this way
- the SMSF messaging provider – issue a rollover initiation request to the APRA-regulated fund. If the member doesn't provide all required information, the rollover will be delayed or rejected.

When members request a rollover, they must include the APRA-regulated fund member number.

If the APRA-regulated fund suspects illegal activity, they will report it to the Australian Transaction Reports and Analysis Centre (AUSTRAC) and any relevant law enforcement agencies.

Step 2: APRA-regulated fund undertakes mandatory verification

The APRA-regulated fund runs mandatory verification checks to ensure the fund and member details match records held by them and us.

To protect against potential fraud, we send members **emails or text message alerts** advising of the rollover request. If the member is not aware of the request, they need to contact the transferring fund immediately to stop it.

Step 3: Confirm your SMSF has received the rollover

The APRA-regulated fund will usually process and pay the rollover to your SMSF bank account within 3 business days of receiving all the information required. They will notify your SMSF messaging provider when this occurs.

They may take longer to process your request when the:

- underlying assets are illiquid
- product is a closed or defined benefit product
- pension account is a type other than an account-based pension.

When your SMSF receives the payment and associated data, check that the payment reference number (PRN) in the data message matches the PRN provided with the payment.

You must then confirm receipt of the rollover by sending an outcome response message through your SMSF messaging provider to the APRA-regulated fund within 3 business days.

Rollovers out of your SMSF to an APRA-regulated fund

Step 1: Member requests a rollover

Members can request a rollover:

- to their SMSF in writing – include all relevant details and ensure they are identical to those recorded with us and the APRA-regulated fund
- to their APRA-regulated fund – they may need to provide POI or bank verification documents and then the APRA-regulated fund will send the request to your SMSF messaging provider
- through ATO online services – only for whole of balance transfers, which can be a preferred option if a relationship breakdown occurs between trustees of the SMSF.

When members request a rollover, they must include the APRA-regulated fund member number.

Step 2: Trustee actions the rollover request

Make sure you:

- have enough liquid assets and allow for any fees incurred by your SMSF – you need enough money in your SMSF bank account
- check your financial institution daily transaction limit – if you are rolling over more than your limit, you may need to
  - increase your daily transaction limit
  - make multiple rollovers of a smaller amount – each rollover must match the amount of each separate payment and have a separate PRN
- engage your SMSF messaging provider or administrator to send the data message, ensuring the mandatory verification checks are completed
  - validate the member's tax file number (TFN) with SMSFmemberTICK

- verify the APRA-regulated fund details using the **Fund Validation Service**.

After you action a rollover, your SMSF messaging provider will provide a PRN or advise you to create one. Quote this PRN when making the payment.

Creating a PRN

You will be required to create your PRN. Complete the following steps:

1. Use the SMSF's ABN.
2. Add the 4 digits to represent the day and month (DDMM).
3. Add a 3-digit sequence based on the number of payments the SMSF has made on this day.

For example:

1. ABN (12345678910).
2. Date (1410).
3. Sequence (001 - the first payment of the day).

The PRN for 14 October would be 123456789101410001.

Step 3: Trustee pays the rollover

The payment of the rollover:

- must be made as soon as possible after sending the data message
- can be made using electronic funds transfer.

Use the **Fund Validation Service** to verify the APRA-regulated fund's current bank details. When making the payment through your financial institution:

- use the correct PRN provided to you by your SMSF messaging provider or created by your SMSF
- only make one payment for each PRN
- pay the exact amount allocated to that PRN
- make sure the PRN on the payment matches the PRN from the rollover message as the receiving fund can only accept the payment if they can reconcile these

- if you need to make multiple payments, you need multiple PRNs to align to each of the data messages.

Failure to do this will cause the rollover to be delayed or rejected. This can result in a regulatory contravention for the fund.

When the APRA-regulated fund receives your payment and associated data, they will send an outcome response message to your SMSF messaging provider to confirm their receipt within 3 business days.

Rollovers from your SMSF to another SMSF

Step 1: Member requests a rollover

Members can request a rollover:

- in writing to their SMSF – include all relevant details and ensure they are identical to those recorded with us and the other SMSF
- through ATO online services – only whole of balance transfers can be made this way. Trustees must action this within 3 days of receiving all the required information.

Step 2: Trustee actions the rollover request

Make sure you:

- have enough liquid assets and allow for any fees incurred by your SMSF – you need enough money in your SMSF bank account
- check your financial institution daily transaction limit – if you are rolling over more than your limit, you may need to:
  - increase your daily transaction limit
  - make multiple rollovers of a smaller amount – each rollover must match the amount of each separate payment and have a separate PRN
- engage your SMSF messaging provider or administrator to send the data message, ensuring mandatory verification checks are completed
  - validate the member's TFN with SMSFmemberTICK
  - verify the fund and member details using the SMSF verification service (SVS).

The SVS will send a non-verified response if the:

- ATO or your SMSF does not hold the required or correct SMSF details, including bank account and ESA
- SMSF is not 'Complying' or 'Registered' on Super Fund Lookup
- provided ABN is not registered as an SMSF.

In these cases, an authorised contact of the receiving SMSF will need to either:

- notify us of changes
- telephone us on **13 10 20** and select fast key codes 4, then 1.

When the SVS is used, the member receives an email or text message alert before the rollover is made. If they did not request the rollover, they need to contact the transferring fund immediately to stop the rollover.

After you action a rollover, your SMSF messaging provider will provide a PRN or advise you to create a PRN. You need to quote this PRN when paying the rollover.

Step 3: Trustee pays the rollover

You must make the payment as soon as possible after sending the data message.

When you make the payment through your financial institution:

- use the correct PRN provided to you by your SMSF messaging provider or generated by your SMSF
- only make one payment for each PRN
- pay the exact amount allocated to that PRN
- make sure the PRN on the payment matches the PRN from the rollover message, as the receiving fund can only accept the payment if they can reconcile these
- if you need to make multiple payments, you need multiple PRNs to align to each data message.

Failure to do this will cause the rollover to be delayed or rejected. This can result in a regulatory contravention by the fund.

When the receiving fund receives the payment and associated data, they will send an outcome response to your SMSF messaging provider within 3 business days to confirm their receipt.

Exceptions to electronic rollovers

Generally, rollovers to or from your SMSF must be processed electronically. There are some exceptions, including:

- in-specie rollovers – these are managed through a process agreed between the relevant parties
- a foreign super fund transfer
- rollovers to or from a non-complying fund – you must use the Rollover benefits statement (RBS)
- a family law super splitting payment – you must use the RBS.

Death benefit rollovers

If it's a death benefit rollover and the recipient is a dependent beneficiary, you also need to do the following within 30 days of the rollover payment:

- if the dependent beneficiary is a child, complete the Death benefit rollover statement (DBRS) and send to the receiving fund
- for both a dependent adult and child beneficiary, give the DBRS or a statement with the same information to the dependant beneficiary.

A dependent child beneficiary is a child of the member who is one of the following:

- under 18 years old
- between 18 and 25 years old and was financially dependent on the deceased
- living with a permanent disability.

If the rollover is a death benefit and the recipient is a dependent child:

- this is a child death benefit rollover
- the receiving fund will need to check the recipient's date of birth for any cashing obligations.

Keep a copy of the documentation to show your SMSF auditor that the rollover process was compliant.

Rollovers due to winding up

If your SMSF is being wound up, a final rollover must only be made once all:

- liabilities have been paid and
- money owed to the fund have been received.

Once your final annual return is processed and all outstanding obligations have been met your ABN will be cancelled. Make sure you rollover any remaining superannuation benefits in your fund within 28 days to ensure this happens before the ABN is cancelled.

There are other actions you need to take if your SMSF is **winding up**. Follow all steps to wind your fund up successfully.

Rolling over untaxed elements of benefits

A rollover from another fund is not included in the assessable income of your fund unless the rollover amount includes an untaxed element.

In the financial year the rollover occurs, if it contains an untaxed element, you need to include the amount of that element in the assessable income of your fund up to the **untaxed plan cap amount**.

If the untaxed element exceeds the untaxed plan cap, the originating fund should withhold tax (at the highest marginal tax rate plus Medicare levy) from the amount over the cap, before releasing the rollover to your fund.

You can then add this now-taxed amount to the tax-free component of the rolled-over amount.

Ensure you report all member contributions in your SMSF annual return, even if they were rolled out to another fund later.

Example: rollover with an untaxed element

On 5 September 2023, Tom asks his APRA-regulated fund to roll over his super of $1,890,000 to his SMSF. This is an untaxed element.

The untaxed plan cap amount for 2023–24 is $1,705,000, meaning Tom's rollover amount exceeds the cap by $185,000. The originating fund must withhold tax of $86,950. This is calculated as:

> 47% (highest marginal tax rate, including the Medicare levy)
>
> ×
>
> $185,000 (rollover amount that exceeds the cap amount)
>
> = $86,950

The transferring fund will report on the rollover benefits statement (RBS) for the:

- tax-free component label $98,050 ($185,000 – $86,950)
- element untaxed in the fund label $1,705,000.

Tom's SMSF will report $1,705,000 as income at the personal contributions label in the SMSF annual return.

Starting a new income stream

If a member of your SMSF was receiving an income stream and starts a new income stream with their new fund following the rollover, you need to report this to us.

This needs to be reported as a commutation through the **transfer balance account report (TBAR)**.

If you do not report the commutation to us when it happens, double counting of your member’s income streams may occur.

Correcting a mistake

If you make a mistake with the rollover payment, contact the receiving fund to resolve the issue.

QC 23328

Responding to release authorities issued to SMSFs

What a release authority is and how your SMSF needs to respond.

Last updated 2 April 2025

On this page

What is a release authority?

A release authority is a document we give to a superannuation fund to authorise the release of a member's super.

You may receive a release authority if a member has requested to have some of their super released early from their SMSF where the member has:

- excess concessional contributions
- excess non-concessional contributions
- excess non-concessional contributions tax
- Division 293 due and payable
- Division 293 deferred debt account
- requested release under the First Home Super Saver (FHSS) scheme.

When an SMSF receives a valid release authority, it is authorised to release the amount from the member's super account based on the instructions of the **specific release authority**.

A contravention will occur if you release this money before your member lodges an election form and your SMSF receives a release authority.

Depending on the type of release authority, this amount is either paid:

- to us, and we then pay it to the member
- directly to the member.

The release authority includes a release authority statement and instructions for completing it. As trustee, you must provide this information to us to confirm that you have released the member's money in accordance with the release authority.

Penalties for not meeting release authority obligations

You may incur a non-compliance penalty up to a maximum of 20 **penalty units** if you:

- do not pay the required amount to us within 10 business days of receiving a valid release authority
- do not return the release authority statement (RAS) to us within 10 business days and
- release an amount that is not the lowest amount of the
  - amount stated in the release authority
  - maximum available release amounts for the super interest held by the super fund.

Notification of a release authority

How you receive release authorities will depend on whether your SMSF has an **electronic service address** (ESA).

If your SMSF:

- has an ESA, we will send the release authority to your ESA and your fund will receive a notification either from your SMSF messaging provider or your fund administrator

- does not have an ESA, we will send a release authority letter and a release authority statement form, which as trustee you will need to complete.

The due date of the release authority will depend on the type of release authority.

Responding to a release authority

Before responding to a release authority, see tax treatment of release authorities.

Step 1: Send us the release authority statement

How you respond to a release authority will depend on how we issued it to you. If the release authority was issued:

- to your ESA, you must send us the release authority statement (RAS) through your software, SMSF messaging provider or fund administrator
- by paper, you must action the release authority and return the paper RAS to us.

Your RAS should advise:

- the amount to be released to us
- for partial releases, whether any super benefits remain in the account
- where the amount released is less than the authority, why the full amount could not be released.

After you action a release authority and send a RAS using your software, you will either be:

- provided with a payment reference number (PRN) by your software, SMSF administrator or messaging provider
- advised to generate your own PRN.

You will need to include this PRN when paying the release amount. Make sure it matches the one provided in the data message.

If you received a paper release authority, your PRN will be included on the payment slip of the form.

If you are unable to action the release authority, send us either:

- a release authority error message through your ESA, or
- the completed paper RAS.

Step 2: Make the payment

You will need to electronically pay the lesser of either:

- the amount stated in the release authority
- the total amount of the super that could be paid at that time.

The release authority you receive will include the bank account you need to make the payment to.

Remember to include the PRN when making the payment. If you receive multiple release authorities, do **not** send one bulk payment. The amount you advise is being paid in the RAS must match the amount paid and the corresponding PRN.

Types of release authorities

There are several types of release authorities that we might send you, including:

- excess concessional contributions
- excess non-concessional contributions
- excess non-concessional contributions tax
- Division 293 tax – due and payable
- Division 293 tax – deferred debt
- First Home Super Saver scheme.

Excess concessional contributions release authority

Your SMSF will receive an excess concessional contributions release authority when a member:

- exceeds their concessional contributions cap in 2013–14 and later financial years, and

- elects to release up to 85% of the excess concessional contributions.

The full amount of excess contributions will be included in your member's assessable income. It will be assessed at the individual's marginal rate of tax and a 15% tax offset will be applied.

Amounts of excess concessional contributions that are not released will be treated as non-concessional contributions.

The released amount must be paid directly to us and is to be treated as a non-assessable, non-exempt benefit payment to your member.

When your fund releases an amount to us, we will:

- offset the balance against any outstanding tax or other Australian Government debts
- pay the remaining amount to your member.

Excess non-concessional contributions release authority

Your SMSF will receive an excess non-concessional contributions release authority when a member exceeds their non-concessional contributions cap and has:

- elected to release the excess non-concessional contributions and 85% of associated earnings from that fund, or
- not made such an election after 60 days and we initiate the process on their behalf.

The released amount must be paid directly to us and is to be treated as a non-assessable, non-exempt benefit payment to your member.

When your fund releases the amount to us, it will be offset against any outstanding tax or other Australian Government debts before any remaining balance is refunded to your member.

You don’t need to amend the contributions report you provided for this member in your SMSF annual return for 2017–18 and earlier financial years. Releasing this benefit doesn’t change the contributions that led to the excess.

Excess non-concessional contributions tax release authority

Your SMSF will receive this release authority if your member elects to have their excess non-concessional contributions assessed as excess non-concessional contributions tax in order to pay their tax liability.

When your fund releases an amount to us, we will:

- offset the balance against any outstanding tax or other Australian Government debts
- pay the remaining amount to your member.

Division 293 tax – due and payable release authority

When an individual has a Division 293 tax due and payable debt associated with contributions made to accumulation super accounts, the debt must be paid within 21 days of receiving the notice of assessment.

The individual can elect to release an amount from their fund within 60 days of the issue date to pay the debt. We will issue a release authority to their nominated fund. If your SMSF receives a release authority, you must pay us directly.

When your fund releases an amount to us, we:

- offset the balance against any outstanding tax or other Australian Government debts
- pay the remaining amount to the member.

Division 293 tax – deferred debt account release authority

When an individual has a Division 293 tax debt associated with contributions made to a defined benefit account, the debt is deferred until they take their end benefit from their defined benefit account. It can be pre-paid by the individual before that time.

Once the individual has requested their end benefit we will issue a debt account discharge liability. The individual can elect to release an amount from their fund within 120 days of the issue date to pay the debt. A release authority for payment of the debt account discharge liability can only be provided and actioned by the fund that the individual has the defined benefit account with. A defined benefit fund may comply with this version of the release authority. The super fund must pay us directly.

When your fund releases an amount to us, we will allocate the amount to your member's deferred debt account held by us.

First Home Super Saver scheme release authority

Your SMSF will receive a First Home Super Saver (FHSS) scheme release authority when one of your members successfully requests us to issue one under the scheme.

The amount released by your fund must be paid directly to us.

When your fund releases an amount to us, we:

- withhold the appropriate amount of tax
- may offset the balance against any outstanding tax or other Australian Government debts
- pay any remaining amount to your member.

Tax treatment of release authorities

The payment of a release authority is a super benefit. The amount paid is to be treated as a non-assessable, non-exempt benefit payment to your member.

Your SMSF is not required to work out any tax-free or taxable components when the benefit is paid.

The cashing order for benefits paid to meet a release authority is:

1. unrestricted non-preserved benefits
2. restricted non-preserved benefits
3. preserved benefits.

For more information about these types of benefits, see Paying SMSF benefits.

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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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