



 [Print whole section](#)

Fund income tax return and instructions 2024

Use these instructions to complete the Fund income tax return 2024.

Last updated 2 July 2024

How to get the fund income tax return 2024



How to get a copy of the form and for help to complete the fund income tax return.

What's new for funds?



Find out what's new in legislation or other changes to take into consideration when lodging the fund income tax return.

How to lodge and pay your fund tax return



How to lodge the fund income tax return and the payment options available.

Schedules for funds



Get the schedules that you may need to complete and attach to

General administration for funds



Find information to support your lodgment, administration, record keeping requirements and our contact details.

Instructions to complete the fund income tax return 2024



Instructions for completing the sections of the fund income tax return.

General information for funds



Find information to support your lodgment, record keeping, assessments, objections and private rulings for funds.

Appendixes for the fund tax return



Find additional information to help you understand and complete certain sections of your fund income tax return.

Legal references and tax rulings



Find supporting legal references and tax determinations and rulings to help you complete the fund income tax return.

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How to get the fund income tax return 2024

How to get a copy of the form and for help to complete the fund income tax return.

Published 30 May 2024

Get the fund income tax return form

Go to [Fund income tax return 2024](#)  on our Publication Ordering Service (POS) at iorder.com.au to get a copy.

Get the fund income tax return instructions

For help preparing the tax return, see [Instructions to complete the fund income tax return 2024](#).

The *Fund income tax return instructions 2024* are not available in print.

You can create and save a PDF copy (3.8 MB from this webpage – select the **Print or Download icon** under the page heading then select **PDF whole topic**.

Using the fund income tax return instructions

All superannuation entities, other than self-managed superannuation funds (SMSFs), must complete the *Fund income tax return 2024*.

These instructions are **not** a guide to income tax or superannuation law. If these instructions don't fully cover the fund's circumstances, [contact us](#) or a registered tax adviser.

These instructions only cover:

- Australian Prudential Regulation Authority (APRA) regulated funds.
- Non-regulated superannuation funds.
- Pooled superannuation trusts (PSTs).

The instructions and form may refer more generally to funds other than where a more specific mention of an entity type is warranted.

These instructions don't cover reporting obligations for superannuation that, where required, must be reported separately.

SMSFs need to lodge the [Self-managed superannuation fund annual return 2024](#) (NAT 71226).

When we refer to 'you' in these instructions, we are referring to you either as:

- the trustee of the fund
- the tax agent or trustee responsible for completing the tax return.

For details about the personal information we collect from you, see [Privacy notice – Fund income tax return](#).

Our privacy policy contains important information about [your privacy](#), including:

- information about how you can access and seek correction of information we hold about you
- how you may complain about a breach of the Australian Privacy Principles
- how we will deal with any privacy complaint.

Continue to: [What's new for funds?](#)

QC 101694

What's new for funds?

Find out what's new in legislation or other changes to take into consideration when lodging the fund income tax return.

Last updated 2 July 2024

Non-arm's length expenses (NALE)

The [Treasury Laws Amendment \(Support for Small Business and Charities and Other Measures\) Act 2024](#)  amends the rules for NALE for superannuation entities.

Under the amendments, from 1 July 2018:

- For APRA regulated funds with no more than 6 members (small APRA funds), the amount of non-arm's length income (NALI) arising from a NALE that is a general expense (also referred to as 'non-

arm's length general expense') will be twice the difference between the expense that the entity did incur (including nil expenditure) and the amount that might have been expected to be incurred. This is the 'Twice the difference approach'.

- For APRA regulated funds with more than 6 members (large APRA fund), exempt public sector superannuation funds, pooled superannuation trusts (PSTs) and approved deposit funds (ADFs), will be exempt from the NALI rules arising from NALE for both non-arm's length general and specific expenses. However, they will still be subject to the remaining non-arm's length income rules for income derived on a non-arm's length basis.
- For all superannuation entities, the NALE rules don't apply to expenditure incurred or expected to have been incurred before 1 July 2018.

Trust income schedule

From the 2024 income year, if you are a small APRA fund and you received one or more distributions from trusts, you must complete a *Trust income schedule 2024* and attach it to your fund income tax return. The trust income schedule details each distribution that you receive from trusts.

Complete the schedule if you report a distribution from a trust at:

- item **10** income, labels
 - **A Net capital gain**
 - **D1 Gross foreign income**
 - **N Trust distributions unfranked amount**
 - **O Trust distributions franked amount**
 - **P Trust distributions franking credit**
 - **Q Trust distributions other amount**
 - **U Net non-arm's length income (non-arm's length trust distributions only).**

For information to help you complete the trust income schedule and who must complete the schedule, see [Trust income schedule and instructions 2024](#).

Items removed from the fund income tax return

In the *Fund income tax return 2024* label **E Eligible rollover fund** has been removed at item **8 – Status of fund or trust**.

Continue to: [How to lodge your fund tax return and pay](#)

Return to: [How to get the fund income tax return 2024](#)

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How to lodge and pay your fund tax return

How to lodge the fund income tax return and the payment options available.

Published 30 May 2024

Lodging the fund income tax return and schedules

The only postal address for lodgment of the *Fund income tax return 2024* is:

**Australian Taxation Office
GPO Box 9845
IN YOUR CAPITAL CITY**

The address must appear as shown above.

Don't post payments to this address, for payment information see [How to pay your tax debt for the fund income tax return](#).

If you want to write to us about superannuation, send your correspondence to:

**Australian Taxation Office
PO Box 3100
PENRITH NSW 2740**

For a list of schedules that you can send with your *Fund income tax return 2024*, see [Schedules for funds](#).

You can lodge any elections required by Taxation Ruling [IT 2624](#) *Income tax: company self-assessment; elections and other notifications; additional (penalty) tax; false or misleading statement* with your fund tax return.

You may have to complete other schedules or documents that you keep with your fund's tax records and don't send with the tax return. These schedules or documents are described further at [Record keeping requirements](#).

If you lodge a schedule separately from your tax return, complete the Taxpayer's declaration section.

Lodgment due date

The date for lodgment of the fund income tax return (including any relevant statements and schedules) is notified in a legislative instrument on the [Federal Register of Legislation](#) .

For funds with an income year ending on 30 June 2024, the due date for lodgment is 31 October 2024. The Commissioner may allow later lodgment dates, see [Due dates](#).

Funds with an approved substituted accounting period (SAP), see [due dates for SAPs](#).

If you don't lodge the fund's income tax return along with all the required information and schedules by the due date, a penalty for failing to lodge on time may apply.

You must also [keep records](#) so that, if required, we can verify the information you reported in the tax return.

Don't attach any payments to the tax return, see [How to pay](#).

How to pay your tax debt for the fund income tax return

The tax payable by a fund for an income year becomes due and payable on the statutory due date, which is the first day of the sixth month of the following income year. For example, for 30 June balancing funds the statutory due date is 1 December.

We offer a range of convenient payment options. For the full list of payment options see [How to pay](#).

Your payments must reach us on or before the [due date](#). When you use a valid [payment reference number \(PRN\)](#), your payment may take up to 4 business days to appear on your ATO account.

[General interest charge](#) (GIC) will be applied to any outstanding amounts owing after the due date.

If you can't pay your tax debt when due

You are expected to organise your affairs to ensure that you pay your debts on time.

If you can't pay your debt on time, you may be eligible for a [payment plan](#). You need to consider how much you can pay so you can meet each ongoing payment amount and future obligations.

We recommend you use the [payment plan estimator](#) to work out a plan you can afford.

Even if you enter into a payment plan, [GIC](#) will accrue on the unpaid amount on a compounding basis. If your business owes \$200,000 or less you can set up a payment plan:

- through [Online Services for business](#)  – select Accounts and payments then payment plans
- through your registered tax agent or BAS agent who can use online services to enter a payment plan on your behalf
- by phoning our [automated service for business enquires](#).
- To set up a payment plan, you need your Australian Business Number (ABN) or Tax File Number (TFN) and the full details of your outstanding amount. If your business owes over \$200,000, phone our [lodge and pay enquiry line](#) during operating hours to discuss your options.

Continue to: [Schedules for funds](#)

Return to: [What's new for funds?](#)

Schedules for funds

Get the schedules that you may need to complete and attach to your fund tax return.

Last updated 2 July 2024

Completing schedules and your tax return

To prepare and report, you should:

- Only complete one copy of the appropriate schedule.
- Attach all completed schedules to the tax return, unless specified otherwise.
- Complete as specified the schedules or documents and keep them with your fund's tax records, see [Record keeping requirements](#).
- Lodge the tax return and required schedules by the due date.

If you lodge the tax return without all the required schedules, we may not consider it to have been lodged in the approved form. Unless you lodge all schedules by the due date, we may apply a penalty for failing to lodge on time.

If a schedule is not lodged with the tax return the trustee is required to sign and date that schedule, otherwise it is not covered by the tax return's trustee declaration.

Capital gains tax schedule

All funds that have one or more capital gains tax (CGT) events happen during the income year must complete a *Capital gains tax schedule 2024*.

Attach the completed CGT schedule to the *Fund income tax return 2024*, if either:

- the total current year capital gains are greater than \$10,000
- the total current year capital losses are greater than \$10,000
- you applied for the transitional CGT relief in 2016–17 and you have recognised the deferred capital gain due to a realisation event

occurring this year.

For help completing the schedule and a copy of the schedule, see [Capital gains tax schedule and instructions 2024](#).

You may also need the:

- [Capital gain or capital loss worksheet 2024](#) – for calculating a capital gain or capital loss for each CGT event.
- [CGT summary worksheet 2024](#) – for calculating a net capital gain or net capital loss for the income year.

Losses schedule

Use the *Losses schedule 2024*, to show detailed information on losses when required to do so.

Complete the *Losses schedule 2024* and attach it to the *Fund income tax return 2024*.

Transfer totals of the amounts at part A of the *Losses schedule 2024* to [item 13 Losses](#):

- **Tax losses carried forward to later income years** – label **U**
- **Net capital losses carried forward to later income years** – label **V**

Complete the losses schedule if either:

- the total of the fund's tax losses and net capital losses carried forward to 2024–25 is greater than \$100,000
- the fund has an interest in a controlled foreign company (CFC) that has current year CFC losses greater than \$100,000
- the fund has an interest in a CFC that has deducted or carried forward a loss to later income years of greater than \$100,000.

If you need to complete a *Losses schedule 2024*, you may also need to complete a *Capital gains tax schedule 2024*.

For help completing the schedule and a copy of the schedule, see [Losses schedule and instructions 2024](#).

Non-individual PAYG payment summary schedule

Pay as you go (PAYG) withholding applies to several withholding events, including:

- if the payment is for a supply and the payee does not quote an ABN
- payments made under a PAYG voluntary agreement
- payments made under foreign resident withholding.

For example, if a payer withheld an amount from a payment because the fund didn't quote its ABN, the payer should have given the fund (payee) a [PAYG payment summary – withholding where ABN not quoted](#) (NAT 3283).

A payer may issue a receipt, remittance advice or similar document in place of the payment summary, provided the document contains all the information required.

If an amount from a payment to the fund was withheld by the payer because of the operation of foreign resident withholding, the fund should have received a *PAYG withholding from foreign residents – payment summary* (free format) from the payer.

PAYG payment summary – withholding where ABN not quoted

If the fund didn't receive (or has lost) its copy of a payment summary, contact the payer responsible and request a signed photocopy of the payer's copy. Details from any *PAYG payment summary – withholding where ABN not quoted* must be included on a *Non-individual PAYG payment summary schedule 2024*.

Complete a *Non-individual PAYG payment summary schedule 2024* and attach it to the *Fund income tax return 2024* when amounts are included at:

- item **10 Income** – label **H Gross payments where ABN not quoted**
- item **12 Calculation statement** – label **H3 Credit for tax withheld – where ABN or TFN not quoted (non-individual)**.

For a copy of the schedule, see [Non-individual PAYG payment summary schedule](#).

Completing the Non-individual PAYG payment summary schedule 2024

Print neatly in BLOCK letters with a black pen only.

Write the fund's TFN and name in the appropriate boxes at the top.

Print **N** for this type of withholding.

From each *PAYG payment summary – withholding where ABN not quoted*, record on the *Non-individual PAYG payment summary schedule 2024*:

- the payer's ABN (or withholding payer number)
- total tax withheld
- gross payment
- the payer's name.

Don't attach copies of any *PAYG payment summary – withholding where ABN not quoted* to the tax return; keep them with the fund's copy of the tax return. Also keep a copy of the *Non-individual PAYG payment summary schedule 2024* with the fund's tax records.

Payment summary – foreign resident withholding

Details from any *PAYG withholding from foreign residents – payment summary* must be included on a *Non-individual PAYG payment summary schedule 2024*.

Complete a *Non-individual PAYG payment summary schedule 2024* where you show an amount at item **12** – label **H2 Credit for tax withheld – foreign resident withholding (excluding capital gains)** – except where the amount is from a partnership distribution or included in a share of net income from a trust.

Print neatly in BLOCK letters with a black pen only.

Write the fund's TFN and name in the appropriate boxes at the top.

Print **F** for this type of withholding.

From each *PAYG withholding from foreign residents – payment summary*, record the following detail on the *Non-individual PAYG payment summary schedule 2024*:

- the payer's ABN (or withholding payer number)
- total tax withheld
- gross payment

- the payer's name.

When you have entered details of all these payment summaries on the schedule, attach the *Non-individual PAYG payment summary schedule 2024* to the tax return.

A *Non-individual PAYG payment summary schedule 2024* is not required for income subject to foreign resident withholding received in a distribution from a partnership or included in a share of net income from a trust as there is not an associated payment summary.

Don't attach copies of any *PAYG payment summary – payments to foreign residents* to the tax return; keep them with the fund's copy of the tax return. Also keep a copy of the *Non-individual PAYG payment summary schedule 2024* with the fund's tax records.

Trust income schedule

Complete a *Trust income schedule 2024* if you are a small APRA fund and you received one or more distributions from trusts and attach it to your tax return.

These are amounts you show at:

- item **10** income, labels
 - **A Net capital gain**
 - **D1 Gross foreign income**
 - **N Trust distributions unfranked amount**
 - **O Trust distributions franked amount**
 - **P Trust distributions franking credit**
 - **Q Trust distributions other amount**
 - **U Net non-arm's length income (non-arm's length trust distributions only).**

For help completing the schedule, who must complete it and a copy of the schedule, see [Trust income schedule and instructions 2024](#).

Continue to: [General administration for funds](#)

Return to: [What's new for funds?](#)

General administration for funds

Find information to support your lodgment, administration, record keeping requirements and our contact details.

Last updated 2 July 2024

Record keeping requirements

Superannuation funds must keep records in English, in writing or electronically. The records must be in a form that we can access and understand.

Generally, a fund keeps all relevant records for the later of either:

- 5 years after they were prepared or obtained
- 5 years after the completion of the transactions or acts to which they relate.

You can keep electronic records, as long as they are in a form that we can access and understand to ascertain the fund's tax liability.

For more information, see:

- Taxation Ruling [TR 96/7](#) *Income tax: record keeping – section 262A – general principles*
- Taxation Ruling [TR 2018/2](#) *Income tax: record keeping and access – electronic records.*

You are not expected to duplicate records. If the records that the fund normally keeps contain the information specified in the instructions, you don't need to prepare additional records.

For some items in the tax return, these instructions spell out specific record-keeping requirements. In general, these records cover instances where the necessary information may not be available in the normal fund accounts.

The record-keeping requirements in the instructions indicate the information that the fund uses to calculate the correct amounts to

declare on the tax return. The record keeping requirements are not an exhaustive list of the records that a fund needs to maintain.

Prepare and keep these documents:

- a statement of financial position
- a detailed operating statement
- a statement of cash flow (reporting entities only)
- notices and elections
- documents containing particulars of any estimate, determination or calculation made while preparing the tax return, together with details of the basis and method used in arriving at the amounts in the tax return
- a statement describing and listing the accounting systems and records – for example, a chart of accounts showing those that are kept manually and those that are kept electronically
- copies of all tax returns lodged.

The law imposes a penalty where a fund fails to keep records in the required manner or it fails to retain records for the appropriate period.

Keeping records for capital gains tax

A fund must keep records of everything that affects its capital gains and capital losses for at least 5 years after the relevant Capital gains tax (CGT) event.

Carried forward net capital loss records are kept for 5 years, or 4 years where a loss can be offset against capital gains within a 4 year period. As capital losses can be carried forward indefinitely, you must retain records until that loss is fully offset.

For more information on record keeping for CGT, see:

- [Guide to capital gains tax 2024](#)
- Taxation Determination [TD 2007/2](#) *Income Tax: should a taxpayer who has incurred a tax loss or made a net capital loss for an income year retain records relevant to the ascertainment of that loss only for the record retention period prescribed under the income tax law?*

Keeping records of tax losses

If a superannuation fund incurs tax losses, it may need to keep records longer than 5 years from the date when the losses were incurred.

Generally, tax losses incurred in an income year can be carried forward indefinitely until they are applied by being deducted. When applied, the loss amount is a figure that is included in the calculation of the superannuation fund's taxable income in that year.

It is in the superannuation fund's interest to keep records substantiating this year's losses until the amendment period for the assessment in which the losses are applied has lapsed (in most cases up to 4 years from the date of that assessment), see Taxation Determination [TD 2007/2](#).

Keeping records for overseas transactions and interests

Keep records of any [overseas transactions](#) in which the superannuation fund is involved, or has an interest, during the income year.

The involvement can be direct or indirect – for example, through persons, trusts, companies or other entities. The interest can be vested or contingent, and includes a case where the fund has direct or indirect control of:

- any income from sources outside Australia
- any property (including money) situated outside Australia; if this is the case, keep a record of
 - the location and nature of the property
 - the name and address of any partnership, trust, business, company or other entity in which the superannuation fund has an interest
 - the nature of the interest.

If an overseas interest was created by exercising any power of appointment, or if the superannuation fund had an ability to control or achieve control of overseas income or property, keep a record of the following:

- the location and nature of the property or income

- the name and address of any partnership, trust, business, company, or other entity in which the fund has an interest.

Assessment

An assessment of a superannuation fund, approved deposit fund (ADF) or pooled superannuation trusts (PST) is deemed to be made on the day on which the tax return is lodged.

Objection to assessment

If a trustee is dissatisfied with an assessment, the trustee may object against that assessment, generally within 4 years of the deemed assessment date. However, a trustee's right to object to an assessment ascertaining that there is no taxable income or no tax to pay on the taxable income is limited. The objection must be made in the approved form, lodged with the Commissioner in the prescribed period and state within it, fully and in detail, the grounds that the trustee relies on.

For more information on objections against income tax assessments, see Taxation Ruling [TR 2011/5](#) *Income tax: objections against income tax assessments*.

Private rulings by the Commissioner of Taxation

A [private ruling](#) is binding advice that sets out how a tax law applies to a fund for a specified scheme or circumstance.

The easiest way to [apply for a private ruling](#) is to use one of the approved forms. They help you provide the information we need.

Penalties and shortfall or general interest charges

Find out about penalties and interest charges we may impose, including:

- [penalties](#)
- [shortfall interest charges](#)

- [general interest charges](#).

Contact details

Contact details if you need to speak to a client service representative.

To speak to a client service representative, [Contact us](#).

If you're from a non-English speaking background and need help, phone the Translating and Interpreting Service (TIS National) on **13 14 50**.

If you have difficulty hearing or speaking to people who use a phone, you can contact us through the [National Relay Service](#)  (NRS).

Continue to: [Instructions to complete the fund income tax return 2024](#)

Return to: [Schedules for funds](#)

QC 101694

Instructions to complete the fund income tax return 2024

Instructions for completing the sections of the fund income tax return.

Published 30 May 2024

Before you start



Find out what you need to know before you start your Fund income tax return 2024.

Section A: Fund information



Deals with general superannuation entity identification and the

Section B: Income



Deals with all income the fund received, or was entitled to receive, during 2023–24. Don't show cents for any amount.

Section C: Deductions



Deals with all deductions relating to 2023–24. Don't show cents for any amount you write.

Section D: Income tax calculation statement



Deals with the income tax calculation statement. The statement works out the tax liability if there is taxable income.

Section E: Losses



Deals with all losses claimed for 2023–24 at item 13. Don't show cents for any amount you write.

Section F: Other information



Deals with other financial information that the Commissioner has determined is necessary to assess the operation.

Section G: Declarations



All declarations must be signed by the appropriate person.

Before you start

Find out what you need to know before you start your Fund income tax return 2024.

Published 30 May 2024

You must answer all questions that apply to the Fund, are mandatory, or require a **yes** or **no** answer.

Where a question is not mandatory and does not apply to the fund, leave the answer box blank.

Where a question requires a **yes** or **no** answer, print **X** in the relevant box.

Print neatly in BLOCK LETTERS, using a black pen.

Print one character per box and don't write outside the boxes provided.

For more information about lodging and paying the *Fund income tax return 2024*, see [How to lodge and pay your fund tax return](#).

APRA regulated superannuation funds

Superannuation funds that were regulated by Australian Prudential Regulation Authority (APRA) at any time during the income year ending 30 June 2024 must use the *Fund income tax return 2024* to lodge their tax return.

For the types of funds regulated by APRA, see [Table 1](#).

Self-managed superannuation funds

Superannuation funds that are self-managed superannuation funds (SMSFs) under the *Superannuation Industry (Supervision) Act 1993* (SISA) at 30 June 2024 must use the [Self-managed superannuation fund annual return 2024](#) to lodge information relating to income tax, regulatory and member contribution details. This includes an SMSF that was non-complying in 2023–24 or that was established or wound up during 2023–24. A SMSF is defined in Appendix 3 of the [Self-managed superannuation fund annual return instructions 2024](#).

Find more information on how to make [Changes to your SMSF](#).

Part year or approved substitute period

If the tax return is for part of an income year, show the dates for that period.

If, with the leave of the Commissioner, a fund adopts an accounting period being the 12 months ending on some date other than 30 June, show the dates for the approved substitute period.

Continue to: [Section A: Fund information](#)

Return to: [Instructions to complete the fund income tax return 2024](#)

QC 101694

Section A: Fund information

Deals with general superannuation entity identification and the current status of the fund.

Last updated 2 July 2024

1 Tax file number (TFN)

Write the TFN of the fund in the boxes on both page 1 and page 3.

We are authorised by the *Taxation Administration Act 1953* to request the fund's TFN. We use the TFN to identify the fund in our records. It is not an offence not to provide a TFN. However, if you don't provide a TFN, there may be a delay in processing the fund's tax return.

2 Name of superannuation fund or trust

Write the name of the fund exactly as it appears on the fund's trust deed or other constituent document.

For subsequent tax returns, the fund name should be consistent from year to year unless the name changes.

If the name of the fund is legally changed, you must [notify us of the change](#) within 28 days.

3 Australian business number (ABN)

Write the ABN of the fund in the boxes. If the fund does not have an ABN, leave this blank.

We strongly encourage funds without ABNs to apply for one at abr.gov.au .

The ABN is a unique business identifier used in all dealings with the Australian Government. It is also available to state, territory and local government regulatory bodies. Identification for tax law purposes is only one of the uses of the ABN.

For more information about privacy, the information we collect and how it may be used, see [Privacy statement – ABR transaction site](#) .

4 Current postal address

We will use this address to send you correspondence. Abbreviate 'care of' to 'C/-' only.

5 Tax return status

Is this an amendment to the fund's 2024 tax return?

Print **X** in the appropriate box, either **No** or **Yes**.

We will use this information when updating our records. We will contact you if you answer yes to the question and we don't have an original tax return for 2023–24.

6 Trustee details

If applicable, write the name and ABN of the corporate trustee, referred to here as non-individual trustee.

7 Electronic funds transfer (EFT)

We need the fund's financial institution details to pay any refund owing, even if you have provided them before, including:

- Bank State Branch (BSB) number (this number has 6 digits, don't include spaces or hyphens)
- account number (this number has no more than 9 digits, don't include spaces or hyphens)
- account name, as shown on the fund's bank account records – for example, ABC fund.
 - don't show account type, such as cheque in the account name
 - include spaces between each word and initials where required
 - if the fund's account name exceeds 32 characters, provide the first 32 characters only.

The refund can only be paid into a recognised financial institution account located in Australia.

For more information, go to [Electronic refunds](#).

8 Status of fund or trust

Complete at item **8**:

- [Type of fund or trust](#)
- [J Australian superannuation fund](#)
- [K Fund benefit structure](#)
- [L Number of members](#)
- [M Date of establishment](#)
- [N1 Significant global entity](#)
- [N2 Country by country \(CBC\) reporting entity](#).

Type of fund or trust

Print **X** in the box that best describes the type of fund or trust at balance date.

Only mark one box. Use **Table 1** to help you work out the type of fund or trust at balance date.

Table 1: Fund or trust type

Label	Categories of funds or trusts
A	Small APRA fund – a regulated fund administered by APRA that has no more than 6 members. This category includes employer-sponsored or corporate funds that have no more than 6 members.
B	Retail fund – a regulated fund consisting of pooled superannuation sold commercially through intermediaries such as life insurance companies, bank subsidiaries or financial planners. This category includes master trusts, personal superannuation products and public offer funds.
C	Industry fund – a regulated fund maintained to accept superannuation contributions from unrelated employers in a particular industry.
D	Corporate fund – a regulated fund sponsored by a single non-government employer or a group of related employers, excluding industry funds.
F	Approved deposit fund (ADF) – a regulated fund that can receive, hold and invest certain types of rollovers on certain conditions.
G	Pooled superannuation trust (PST) – a unit trust in which only the assets of superannuation funds, ADFs and other PSTs can be invested.
H	Public sector fund – a regulated fund established by or under a law of the Commonwealth, a state or territory, a municipal corporation or another local governing body or public authority constituted by or under a law of the Commonwealth or a state or territory.
I	Non-regulated fund – a fund that does not satisfy the provisions of section 19 of the SISA.

J Australian superannuation fund

Is the fund an Australian superannuation fund?

At item **8** – label **J**, print **X** in the appropriate box, either **No** or **Yes**.

Tests to determine if the fund is an Australian superannuation fund

For a regulated super fund to be a complying superannuation fund it must be an Australian superannuation fund.

A superannuation fund is an Australian superannuation fund if it satisfies all 3 of the following tests:

- the fund was established in Australia, or at least one of the fund's assets is located in Australia, and
- the central management and control of the fund is ordinarily in Australia, and
- either
 - the fund has no **active members**
 - it has active members who are Australian residents and who hold at least 50% of either:
 - the total market value of the fund's assets attributable to super interests held by active members
 - the total of the amounts that would be payable to or in respect of active members if they voluntarily ceased to be members.

Provided the fund satisfies these 3 tests at the same time at any point in the income year then, for income tax purposes, it is an Australian superannuation fund for the entire income year. However, to be a 'complying superannuation fund' in an income year, these 3 tests must be met **throughout** the income year.

A member is considered to be an **active member** of a fund if either:

- they are a contributor to the fund
- contributions were made to the fund on their behalf and they are not covered by the next paragraph specifying who is not an active member.

A member on whose behalf contributions were made to the fund is not an active member if all the following apply:

- they are not a resident of Australia
- they are not currently a contributor
- the only contributions that were made on their behalf after they ceased to be an Australian resident were made in relation to a time when they were an Australian resident.

The **central management and control** of a fund is ordinarily in Australia if the fund's strategic and high level decisions are regularly made in Australia. These decisions are generally made by the trustees of the fund.

The fund will continue to meet the central management and control requirement in cases where the fund's central management and control is **temporarily** (for a period of 2 years or less) outside Australia. However, if the central management and control of the fund is **permanently** outside Australia, it will not meet this requirement.

Print **X** in the **No** box at item **8** – label **J** if the fund does not meet the above definition of Australian superannuation fund at any time during the income year.

If the fund does not meet the above definition of Australian superannuation fund **throughout** the income year, the fund will:

- lose its complying superannuation fund status
- have a tax rate of 45% applied to the fund's taxable income for the income year (including the market value of all fund assets at the start of that income year).

For the definition of an 'Australian superannuation fund', see Taxation Ruling [TR 2008/9](#) *Income tax: meaning of 'Australian superannuation fund' in subsection 295-95(2) of the Income Tax Assessment Act 1997*.

K Fund benefit structure

Print at item **8** – label **K** the appropriate code from **Table 2** that best describes the benefit structure of the fund.

Table 2: Fund benefit structure

Code	Definition of Fund benefit structure
A	A fund is an accumulation fund if the fund provides its members with a benefit which is the total of: • specifically defined contributions to the fund plus • earnings on those contributions minus • any costs attributed to the member. This fund is considered an accumulation fund even if the fund or any of its accounts is supporting a

	superannuation income stream benefit.
D	A fund is a defined benefit fund if the fund provides its members with a benefit that is calculated from a formula based on a combination of factors, including the years of membership in the fund and average salary level over a specific time.
U	Unfunded defined benefit: similar to defined benefit, but the superannuation members' benefits are unfunded. Only governments run unfunded defined benefit funds.
E	A fund is a hybrid fund if it has a combination of both accumulation and defined benefit members.

L Number of members

Write at item **8** – label **L** the total number of members or for ADFs the number of depositors at the balance date.

Members for this item are persons:

- who are making contributions
- on whose behalf contributions are being made
- who are receiving pension entitlements
- who hold any deferred beneficiary accounts.

M Date of establishment

Write the date on which the fund was established.

N1 Significant global entity

Print **X** at item **8** – label **N1** if the entity was a significant global entity (SGE) for the income year.

An entity is an SGE if it is either:

- a global parent entity with an annual global income of A\$1 billion or more
- a member of a group of entities that are consolidated for accounting purposes, and one of the other group members is a

global parent entity with an annual global income of A\$1 billion or more

- a member of a notional listed company group, and one of the other group members is a global parent entity with an annual global income of A\$1 billion or more.

A notional listed company group is a group of entities that would be required to be consolidated for accounting purposes as a single group, on the assumption that an entity of the group were a listed company. Disregard any exceptions in accounting principles that may permit an entity not to consolidate with other entities.

An entity is also an SGE if it is a global parent entity, or a member of an actual or notional accounting consolidated group which includes a global parent entity, and the global parent entity has been given a notice by the Commissioner determining that its annual global income would have been A\$1 billion or more for the period had global financial statements been prepared.

For more information about the definition of a SGE and what it means to be a SGE, see [Significant global entities](#).

If you are a SGE, you also need to consider whether you are a [country-by-country \(CBC\) reporting entity](#). CBC reporting entities must complete label N2, and may have additional reporting obligations.

N2 Country by country (CBC) reporting entity

Print **X** at item **8** – label **N2** if the entity was a [CBC reporting entity](#) for the income year.

An entity is a CBC reporting entity if it is either:

- a CBC reporting parent
- a member of a CBC reporting group, and one of the other group members is a CBC reporting parent with an annual global income of A\$1 billion or more.

A CBC reporting group may be a group that is consolidated for accounting purposes as a single group or a notional listed company group. A notional listed company group is a group of entities that would be required to be consolidated for accounting purposes as a single group, on the assumption that an entity of the group was a listed company.

Unlike under the SGE definition, the exception to consolidations in the accounting principles related to investment entities is not disregarded. That is, if applicable, the investment entity exception in the accounting principles should be applied when determining whether an entity is a CBC reporting entity.

If an entity was a CBC reporting entity for the whole or part of the preceding income year, it may have CBC reporting obligations.

For more information about the definition of a CBC reporting entity and what it means to be a CBC reporting entity, see [Country-by-country reporting](#).

9 Was the fund wound up during the income year?

Print **X** in the appropriate box, either **No** or **Yes**.

If **Yes**, write the date the fund was wound up in the boxes.

Every fund is required to lodge a tax return for each income year of its operations, up to the date it is wound up.

Continue to: [Section B: Income](#)

Return to: [Instructions to complete the fund income tax return 2024](#)

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Section B: Income

Deals with all income the fund received, or was entitled to receive, during 2023–24. Don't show cents for any amount.

Last updated 2 July 2024

Is the fund a complying or non-complying fund?

The compliance status of the fund affects how you report income and the tax rates that apply. A regulated fund is a complying

superannuation fund unless Australian Prudential Regulation Authority (APRA) issues the fund with a notice of non-compliance. If the fund is a regulated superannuation fund and it has not received a notice of non-compliance, then the fund is a complying fund.

How goods and services tax (GST) affects the tax return

If the fund is registered or required to be registered for GST purposes, don't include GST amounts in assessable income in the tax return. The deductions shown should not include any amounts that relate to input tax credit entitlements.

If the fund is not registered and not required to be registered for GST purposes, or if it is not entitled to an input tax credit, the deductions shown are the GST-inclusive amounts that the fund incurred. Special rules apply to GST adjustments. To register for GST, you can apply as part of your ABN application at abr.gov.au . If you already have an ABN, see [Registering for GST](#).

Income to report at item 10

The taxable income of a complying superannuation fund is split into a non-arm's length component and a low tax component.

For large APRA Funds, exempt public sector superannuation funds, PSTs and ADFs, the non-arm's length component for an income year is the fund's non-arm's length income for that year less any deductions to the extent that they are attributable to that income.

For small APRA funds, the non-arm's length component is the lesser of:

(a) the sum of:

(i) NALI arising from non-arm's length general expense in which the 'Twice the difference' approach is used - excluding any deductions in relation to the general expense; and

(ii) all other NALI less any deductions to the extent that they are attributable to that income; and

(b) the superannuation entity's taxable income for the year less the contributions included in the entity's assessable income plus

any deductions to the extent that they are attributable to those contributions.

If any assessable income is non-arm's length income of a complying fund, complying ADF or PST that amount should be included at label [U Net non-arm's length income](#) and not at any other label. For small APRA funds, any non-arm's length income as a result of a non-arm's length general expense calculated using a 'Twice the difference approach' is not included at label U Net non-arm's length income or at any other label in item 10. Rather, this amount will be taken into account when calculating the 'Tax on taxable income' at label T1 in Section D

The low tax component is any remaining part of the fund's taxable income for the income year.

Ensure that you show the correct income components against the corresponding income labels, as different rates of tax apply to different income components.

A concessional rate applies to the low tax component, while the non-arm's length component is taxed at the highest marginal rate. The rates are set out in [Appendix 3: Rates of tax](#).

G Did the fund have a capital gains tax (CGT) event during the income year?

A fund makes a capital gain or capital loss if certain events or transactions happen, these are CGT events. CGT events usually happen to a fund's CGT assets, such as upon the disposal of a CGT asset by the fund. However, some CGT events relate directly to capital receipts.

If the fund ceases to hold or to use a depreciating asset that was used for both taxable and non-taxable purposes, a CGT event may happen in respect of the asset. A capital gain or capital loss may arise to the extent that the asset was used for a non-taxable purpose. For more information, see the [Guide to depreciating assets 2024](#).

A capital gain or capital loss is disregarded in certain circumstances. For example, disregard capital gains or capital losses arising from a CGT event that relates to segregated current pension assets of a complying superannuation entity.

Transitional CGT relief in 2016–17 allowed complying funds to defer capital gains made to comply with a transfer balance cap and transition to retirement income stream (TRIS) reforms. If the fund chose to apply this transitional CGT relief and a realisation event happened during 2023–24, the deferred capital gain is recognised in 2023–24.

For more information about CGT events, see the [Guide to capital gains tax 2024](#) which includes:

- a capital gain or capital loss worksheet for calculating a capital gain or capital loss for each CGT event
- a CGT summary worksheet for calculating the fund's net capital gain or capital loss
- a [Capital gains tax \(CGT\) schedule 2024](#) (NAT 3423).

The *Guide to capital gains tax 2024* also explains special CGT rules that apply to foreign residents and trustees of foreign trusts.

The worksheets will help you calculate the net capital gain or capital loss for the income year and complete the CGT questions in the Fund income tax return. You don't have to complete the worksheets, but if you do, don't attach them to the Fund income tax return; keep them with the fund's tax records.

Print **X** in the **Yes** box at item **10** – label **G Did you have a CGT event during the year?**, if:

- the fund had a CGT event happen during 2023–24
- the fund received a share of net income from a trust that includes a capital gain
- the fund is a subsequent participant in a forestry managed investment scheme and had a CGT event as a result of a harvest or sale of its interest in the scheme. See CGT information included at item **10** – label [X Forestry managed investment scheme income](#).

Otherwise, print **X** in the **No** box.

If you select **Yes** you must complete the [Capital gains tax \(CGT\) schedule 2024](#) (CGT schedule) and attach it to the *Fund income tax return* if:

- total income year capital gains are greater than \$10,000

- total income year capital losses are greater than \$10,000
- you have elected to apply the transitional CGT relief in 2016–17 and you have a realisation event.

M Has the fund applied an exemption or roll-over?

If the fund has capital gains disregarded or deferred as a result of an application of a CGT exemption or roll-over, print **X** in the **Yes** box at label **M**.

Otherwise print **X** in the **No** box.

If you selected **Yes**, you may need to provide details of certain CGT exemptions or roll-overs, if the fund is required to lodge a *Capital gains tax (CGT) schedule 2024*.

If you selected **Yes** at label **M**, print in the code box at label **M** the appropriate CGT exemption or roll-over code from the list below. Choose the most specific roll-over or exemption code that applies. For example, choose the 'Scrip for scrip roll-over (Subdivision 124-M)' code before the more general rollover 'Replacement asset roll-overs (Division 124)' code.

If more than one CGT exemption or roll-over applies, select all the codes that apply. If you are lodging on a paper return, print the code that corresponds to the CGT exemption or roll-over that resulted in the largest amount of capital gain disregarded or deferred.

CGT exemption or roll-over code

Code	Type
A	Small business active asset reduction (Subdivision 152-C)
B	Small business retirement exemption (Subdivision 152-D)
C	Small business roll-over (Subdivision 152-E)
D	Small business 15-year exemption (Subdivision 152-B)

F	Scrip for scrip roll-over (Subdivision 124-M)
L	Replacement asset roll-overs (Division 124)
M	Exchange of shares or units (Subdivision 124-E)
N	Exchange of rights or options (Subdivision 124-F)
O	Exchange of shares in one company for shares in another company (Division 615)
P	Exchange of units in a unit trust for shares in a company (Division 615)
Q	Disposal of assets by a trust to a company (Subdivision 124-N)
S	Same-asset roll-overs (Division 126)
U	Early stage investor (Subdivision 360-A)
V	Venture capital investment (Subdivision 118-F)
X	Other exemptions and roll-overs

For information about CGT exemptions and roll-overs, see the [Guide to capital gains tax 2024](#).

A Net capital gain

The fund's net capital gain is the total current year capital gains less the current year capital losses, any net capital losses from prior years (that have not already been used) and any other relevant concession.

Write at label **A** the amount of net capital gain calculated or transferred from:

- label **6A** at part 6 of the CGT summary worksheet
- label **A** at part 6 of the CGT schedule, if one is required.

Net capital gain includes:

- foreign source capital gains

- the capital gains component of the fund's share of net income received from a trust
- any capital gains made by the fund from a forestry managed investment scheme. See CGT information included at item **10** – label **X Forestry managed investment scheme income**
- the amount of capital gain previously deferred under Transitional CGT relief for superannuation funds.

Specific rules applying to stapled structures took effect from 1 July 2019. The fund may receive amounts attributable to Non-concessional MIT income (NCMI) capital gains or Excluded from NCMI capital gains. You must include these amounts in the calculation of the amount at item **10** – label **A Net capital gain**. For more information about NCMI, see [Stapled structures](#).

Don't show at label **A** any part of the net capital gain to the extent it relates to any non-arm's length capital gains of a complying superannuation fund, complying ADF or a PST. Show this amount at label **U Net non-arm's length income**.

For help on how to calculate the fund's net capital gain or for special CGT rules that apply to foreign residents or trustees of foreign trusts or subsequent participants in a Forestry Managed Investment Scheme, see the [Guide to capital gains tax 2024](#).

The fund may need to complete a *Losses schedule 2024*. For more information, see [Who must complete a Losses schedule?](#)

If you are a small APRA fund and you report a distribution from a trust at item **10** – label **A**, complete a [Trust income schedule 2024](#) and attach it to the fund income tax return.

B Gross rent and other leasing and hiring income

Write at label **B** gross rental income from land and buildings and income from leasing and hiring unless it is to be included at a different label. Don't reduce gross rental income by any loss or outgoing incurred in gaining or deriving that income.

Don't show at label **B**:

- any rental, leasing or hiring income derived from foreign sources – show this at labels **D Net foreign income** and **D1 Gross foreign income**
- any rental income included in a share of net income from a trust – show this at label **Q Trust distributions other amounts**
- any rental, leasing or hiring income to the extent it is non-arm's length income of a complying superannuation fund, complying ADF or a PST – show this amount at label **U Net non-arm's length income**.

C Gross interest

Show at label **C** the fund's gross interest income unless it is to be included at a different label. Don't reduce gross interest income by any loss or outgoing incurred in gaining or deriving that income.

If the taxation of financial arrangements (TOFA) rules apply to the fund, include interest from financial arrangements subject to the TOFA rules at label **C**.

Don't show at label **C**:

- any interest income derived from foreign sources – show this amount at labels **D Net foreign income** and **D1 Gross foreign income**
- any interest income included in a share of net income from a trust – show this amount at label **Q Trust distributions other amounts**
- any interest income to the extent it is non-arm's length income of a complying superannuation fund, complying ADF or a PST – show this amount at label **U Net non-arm's length income**
- non-share dividends received from holding a non-share equity interest.
If the fund holds such an interest, the issuer is obliged to forward a dividend statement with dividend details – show these at item **10** – labels **J**, **K** and **L** as applicable.

For information on non-share dividends and non-share equity interests, see [Guide to the debt and equity tests](#).

Keep a record of the name and address of borrowers and amounts received or credited.

X Forestry managed investment scheme income

Write at label **X** the **total** income from the forestry interests that the fund holds in forestry managed investment schemes (FMISs). The amount you show at label **X** will depend on the points below.

Don't include capital gains from an FMIS; show these at label **A Net capital gain**. For more information on the CGT treatment of the fund's forestry interests, see the [Guide to capital gains tax 2024](#).

If the fund is a member of a collapsed agribusiness managed investment scheme, for information about calculating your income and deductions, see [Collapse and restructure of agribusiness managed investment schemes – participant information](#).

Definitions

The fund is an **initial participant** in an FMIS if both applies:

- the fund obtained its forestry interest in the FMIS from the forestry manager of the scheme
- the fund's payment to obtain the forestry interest in the FMIS results in the establishment of trees.

The fund is a **subsequent participant** in an FMIS if it acquired its interest through secondary market trading. This means it acquired its interest other than as an initial participant, usually by purchasing that interest from an initial participant in the scheme.

The **forestry manager** of an FMIS is the entity that manages, arranges or promotes the FMIS.

A **forestry interest** in an FMIS is a right to the benefits produced by the FMIS (whether the right is actual, prospective or contingent and whether or not it is enforceable).

The amount of the fund's **total forestry scheme deductions** is the total of all the amounts that it can deduct or has deducted for each income year that it held its forestry interest. See, Section C item **11** – label **U Forestry managed investment scheme deduction** for more information on amounts that the fund can deduct.

The amount of the fund's **incidental forestry scheme receipts** is the total of all the amounts that it received from the FMIS in each income

year that it held its forestry interest. It does not include other amounts received because of a CGT event, that is, a sale or a harvest.

Initial participant in an FMIS

Where you are an initial participant in an FMIS, include the following at label **X**.

Thinning receipts

If the fund received thinning proceeds from its forestry interest, include at label **X** the actual amount received.

Sale and harvest receipts: forestry interest no longer held

Include at label **X** the market value of the forestry interest at the time of the CGT event if the fund:

- ceased holding its forestry interest as a result of a CGT event (because it sold its interest or it received harvest proceeds), and
- has deducted or can deduct amounts paid under the FMIS in relation to the forestry interest or would be entitled to deduct such amounts but for a CGT event happening within 4 years after the end of the income year in which the fund first pays an amount under the FMIS.

Sale and harvest receipts: forestry interest still held

Include at label **X** the amount by which the market value of the forestry interest was reduced as a result of the CGT event if:

- a CGT event happened and the fund still holds its forestry interest (because it sold part of its interest or it received harvest proceeds), and
- the fund has deducted or can deduct amounts paid under the FMIS in relation to the forestry interest or would be entitled to deduct such amounts but for a CGT event happening within 4 years after the end of the income year in which the fund first pays an amount under the FMIS.

Subsequent participant in an FMIS

Where you are a subsequent participant in an FMIS, include the following at label **X**.

Thinning receipts

If the fund received thinning proceeds from its forestry interest, include at label **X** the actual amount received.

Sale and harvest receipts: forestry interest no longer held

Write at label **X** the lesser of the amounts below, if the fund both:

- ceased holding its forestry interest as a result of a CGT event (because it sold its interest or it received harvest proceeds)
- deducted or can deduct or could have deducted an amount if the fund had paid the amount under the FMIS in relation to the forestry interest.

The amount to include at label **X** is the lesser of the following 2 amounts:

- The market value of the forestry interest at the time of the CGT event.
- The amount (if any) by which the total forestry scheme deductions exceed the incidental forestry scheme receipts ('net deductions').

[Example 1](#) shows how to calculate the amount to include at label **X** where the fund sold its forestry interest, and the CGT consequences.

Sale and harvest receipts: forestry interest still held

Write at label **X** the lesser of the amounts below, if the fund both:

- had a CGT event happen and still holds its forestry interest (because it sold part of its interest or it received harvest proceeds)
- can deduct or has deducted or could have deducted an amount if the fund had paid the amount under the FMIS in relation to the forestry interest.

The amount to include at label **X** is the lesser of the following 2 amounts:

- The market value of the forestry interest at the time of the CGT event.
- The amount (if any) by which the total forestry scheme deductions exceed the incidental forestry scheme receipts ('net deductions').

Use the following formula:

Lesser of 2 amounts above multiplied by the decrease (if any) in the market value of the forestry interest (as a result of the CGT event) divided by the market value of the forestry interest just before the CGT event.

In a future income year where the fund receives further proceeds from a harvest or the sale of its forestry interest, disregard the amount of the 'net deductions' that has already been reflected at label **X**.

[Example 2](#) shows how to calculate the amount to include at label **X** where there is a harvest payment made and the fund still holds the forestry interest, and the CGT consequences.

To complete this item

Add up all the amounts you worked out for each FMIS in which the fund holds a forestry interest and write the total at label **X**.

For how to calculate the amount you show at label **X** where the fund is a subsequent participant that holds the forestry interest on capital account, see [Example 1](#) and [Example 2](#).

For more information on the CGT treatment of a fund's forestry interest, see the [Guide to capital gains tax 2024](#).

Example 1: sale receipts – forestry interest no longer held

Cedar Fund is a subsequent participant in an FMIS. Cedar Fund sold its forestry interest (held on capital account) for \$20,000 (market value). The sale of the forestry interest is a CGT event. The original cost base for the forestry interest is \$14,000.

During the time that the Cedar Fund held the forestry interest, it claimed \$4,000 in deductions (its total forestry scheme deductions) for lease fees, annual management fees and the cost of felling that it paid to the forestry manager.

During the same period, Cedar Fund received \$1,500 from thinning proceeds (its incidental forestry scheme receipts).

Cedar Fund will need to include **\$2,500** (that is, \$4,000 – \$1,500) at label **X**, because this amount is less than the market value of its forestry interest at the time of the CGT event.

CGT notes:

- Cedar Fund will take the amount that it included at label **X** into account when working out the amount to include at label **A**
Net capital gain.
- The capital gain would be \$3,500 – that is, capital proceeds of \$20,000 less cost base of \$16,500 (made up of \$14,000 plus \$2,500 that was included in assessable income).

Example 2: harvest receipts – forestry interest still held

Oakey Fund is a subsequent participant in an FMIS. Oakey Fund holds the forestry interest on capital account and received a harvest proceeds payment of \$5,000 in 2023–24. Oakey Fund's interest has been reduced by 25%.

The market value of Oakey Fund's forestry interest just before it received payment for the harvest (a CGT event) is \$20,000. After Oakey Fund received this harvest payment, the market value of its forestry interest was reduced to \$15,000. The original cost base for the forestry interest is \$14,000.

During the time Oakey Fund has held the forestry interest, it claimed \$4,000 in deductions (its total forestry scheme deductions) for lease fees, annual management fees and the cost of felling that it paid to the forestry manager.

During that same period, Oakey Fund received \$1,500 from thinning proceeds (its incidental forestry scheme receipts).

Step 1: Work out the lesser of the market value and net deductions

The market value of the forestry interest (at the time of the CGT event) is \$20,000.

The amount by which the total forestry scheme deductions exceed the incidental forestry scheme receipts is \$2,500 (that is, \$4,000 – \$1,500 for the net deductions).

The amount used in step 2 is \$2,500 (net deductions).

Step 2: Calculate the amount

Using the amount from step 1, calculate the amount to include in the tax return using the formula.

$$\$2,500 \times (\$5,000 \div \$20,000) = \$625$$

Oakey Fund disregards the \$625 when determining the amount to include in step 2 for any future income year when it receives harvest proceeds or sells its forestry interest. This is because the \$625 amount will have been already reflected in its assessable income in 2023–24.

Oakey Fund will need to include \$625 at label **X** in its tax return 2024.

CGT notes:

- Oakey Fund has disposed of 25% of its forestry interest.
- The fund will take the amount that it included at label **X** into account when working out the amount to include at label **A** **Net capital gain**.
- For 2023–24 the capital gain would be \$875. That is, capital proceeds of \$5,000 less apportioned original cost base of \$4,125 (made up of \$3,500 = 25% of \$14,000) plus \$625 that is included in assessable income.

D1 Gross foreign income

Show at label **D1** the gross assessable income derived by the fund from foreign sources, grossed up by the amount of the foreign tax withheld or paid at source on that income. Include dividends (for example, New Zealand franking company dividends and supplementary dividends), interest, and attributable income through the controlled foreign company (CFC) regime.

Show at label **D1** any foreign source income included in the fund's share of net income from:

- a trust
- any foreign source income received from a partnership
- distributions received from foreign corporate limited partnerships, foreign hybrid limited partnerships and foreign hybrid companies.

Don't include this amount at item **10** – labels:

- **I Gross distribution from partnerships**
- **Q Trust distributions other amounts.**

Any foreign source income included in the fund's share of net income from a trust that the fund is unable to report on a gross basis can be included at label **D1** on a net basis.

If the taxation of financial arrangements (TOFA) rules apply to the fund, include gross foreign income from financial arrangements subject to the TOFA rules at label **D1**.

Don't reduce gross foreign income by exempt current pension income. Show exempt current pension income at item **10** – label **Y Exempt current pension income**.

Don't show at label **D1**:

- any Australian franking credits attached to New Zealand franking company dividends – show these at item **10** – label **E Australian franking credits from a New Zealand company**
- foreign exchange gains and losses; such gains and losses (from both foreign and domestic sources) – show at item **10** – label **G Foreign exchange gains** or at item **11** – label **R Foreign exchange losses**, as appropriate
- foreign income to the extent it is non-arm's-length income of a complying superannuation fund, complying ADF or a PST – show this amount at label [U Net non-arm's length income](#)
- foreign source capital gains and losses; net capital gains – show at item **10** – label **A Net capital gain**.

An Australian superannuation fund makes a capital gain or capital loss if a CGT event happens to any of its worldwide CGT assets. A fund that is not an 'Australian superannuation fund' makes a capital gain or loss, generally speaking, if the CGT asset is taxable Australian property just before the CGT event happens.

If you are a small APRA fund and you report a distribution from a trust at item **10** – label **D1**, complete a [Trust income schedule 2024](#) and attach it to the fund income tax return.

For more information, see:

- [Foreign income return form guide](#)
- [Guide to capital gains tax 2024](#).

The fund may need to complete a *Losses schedule 2024*, see [Who must complete a Losses schedule?](#)

D Net foreign income

Write at label **D** the gross foreign income amount shown at label **D1**, net of expenses incurred in deriving that income, and subtract any foreign source losses incurred in 2023–24 (not CGT losses).

If the total amount at label **D** is a **negative** value, print **L** in the **Loss** box.

If the fund received franked dividends directly or indirectly from a New Zealand franking company, see [Trans-Tasman imputation](#).

Don't subtract debt deductions in calculating net foreign income at label **D**, except where they are attributable to an overseas permanent establishment of the fund. Write the debt deductions, which are not attributable to an overseas permanent establishment of the fund, at item **11 Deductions**, as relevant, at labels:

- **A Interest expenses within Australia**
- **B Interest expenses overseas**
- **I Investment expenses**
- **J Management expenses**
- **Q Administration expenses**
- **L Other deductions.**

Don't reduce net foreign income by exempt current pension income. Exempt current pension income is shown at item **10** – label **Y Exempt current pension income**.

Don't show at label **D**:

- foreign exchange gains and losses; such gains and losses (from both foreign and domestic sources) should be shown at item **10** – label **G Foreign exchange gains** or at item **11** – label **R Foreign exchange losses**, as appropriate

- net foreign source capital gains, this should be shown at item **10** – label **A Net capital gain**
- net foreign income to the extent it is non-arm's length income of a complying superannuation fund, complying ADF or a PST; show this at item **10** – label [U Net non-arm's length income](#).

Complete and attach a [Losses schedule 2024](#), if the fund has:

- total tax losses and net capital losses carried forward to later income years greater than \$100,000
- an interest in a CFC that has 2023–24 losses greater than \$100,000
- an interest in a CFC that has deducted or carried forward a loss to later income years greater than \$100,000.

If the TOFA rules apply to the fund, include net foreign income from financial arrangements subject to the TOFA rules at label **D**.

E Australian franking credits from a New Zealand company

Dividends paid by New Zealand resident companies that have chosen to join the Australian imputation system may also carry franking credits.

Did the fund receive assessable franked distributions from a New Zealand franking company directly or indirectly through a partnership or trust?

- No – Continue to label [F Transfers from foreign funds](#).
- Yes – Write at label **E** the amount of Australian franking credits attached to the distributions that are included in assessable income adjusted.

To work out whether the distribution is assessable, see the [Foreign income return form guide](#).

You must reduce the Australian franking credits that the fund received directly or indirectly from a New Zealand franking company if the fund both:

- has a supplementary dividend that is paid in connection with the franked dividend

- is entitled to a foreign income tax offset because the franked dividend is included in the fund's assessable income.

Reduce the Australian franking credits by either:

- the amount of the supplementary dividend
- the fund's share of the supplementary dividend.

Don't include the Australian franking credit in assessable income at label **E** or claim a franking tax offset where:

- the shares or interests are not held at risk as required under the holding period and related payments rules
- there is other manipulation of the imputation system.

Write the amount of Australian franking credits included in assessable income at item **12 Calculation statement** – label:

- **C2 Rebates and tax offsets** for a non-complying fund
- **E1 Complying fund's franking credits tax offset** for a complying fund or PST.

A dividend from a New Zealand franking company may also carry New Zealand imputation credits. An Australian resident can't claim New Zealand imputation credits.

If the franking credit is attached to a dividend that is non-arm's length income of a complying superannuation fund, complying ADF or a PST, show the franking credit (along with the dividend) at item **10** – label [U Net non-arm's length income](#).

F Transfers from foreign funds

Write at label **F**, all assessable amounts arising from amounts transferred to an Australian superannuation fund from a foreign superannuation fund.

Include at label **F** the amounts transferred:

- that were in excess of what was vested in the member of the foreign fund at the time of the transfer (see, [Subsection 295-200\(1\)](#) of the Income Tax Assessment Act 1997 (ITAA 1997)).
- to a complying superannuation fund from a foreign superannuation fund that the former member of the foreign fund has specified in a

written choice to have included in the fund's assessable income (see, [Section 305-80](#) and [Subsection 295-200\(2\)](#) of the ITAA 1997).

The amount is included in the income year in which the transfer happens.

Print in the **Number** box, the number of transfers received from foreign superannuation funds for the income year.

For more information, see [Tax treatment of transfers from foreign super funds](#).

H Gross payments where ABN not quoted

Write at label **H** the gross value of all payments made to the fund that had amounts withheld because an ABN was not quoted. That is, the gross payment amount for any corresponding credit you show at item **12 Calculation statement** – label **H3 Credit for tax withheld – where ABN or TFN not quoted (non-individual)**.

Gross payments include both the amounts paid to the fund and the amounts withheld from these payments.

Complete and attach a *Non-individual PAYG payment summary schedule 2024*. For instructions on completing this schedule, see [Schedules – PAYG payment summary – withholding where ABN not quoted](#).

Keep a record of the:

- full name of the payer
- TFN of the payer if known
- amount of income.

I Gross distribution from partnerships

Show at label **I** the gross distribution from all partnerships. If the amount is a loss, print **L** in the **Loss** box at the right of the amount.

Don't show any distribution from a partnership to the extent that it is non-arm's length income of a complying superannuation fund or a complying ADF or PST. Show that amount at label [U Net non-arm's length income](#).

If the distribution includes an amount of foreign income, including New Zealand franking company dividends and supplementary dividends, don't include it at label **I**. Show that amount at label **D1 Gross foreign income** and take it into account when calculating label **D Net foreign income**.

Include:

- any amount subject to foreign resident withholding in Australia that were distributed to the fund from a partnership
- the fund's share of credit from foreign resident withholding.

You can claim a credit for the fund's share of credit from foreign resident withholding in the calculation statement at item **12 Calculation statement** – label **H2 Credit for tax withheld – foreign resident withholding (excluding capital gains)**.

If a distribution includes franked dividends (including franked non-share dividends), determine the fund's entitlement to a franking credits tax offset.

The fund is not entitled to a franking credits tax offset if:

- the relevant interest is not held at risk as required under the holding period rule
- the [dividend washing integrity rule](#) applies
- there is some other manipulation of the imputation system – the Commissioner may make a determination to deny imputation benefits where you have entered into a scheme for a non-incidental purpose of obtaining franking credit benefits
- the gross distribution from the partnership is exempt income or non-assessable non-exempt income (other than a distribution exempted from income tax under the exempt current pension income (ECPI) rules, see item **10** – label **Y Exempt current pension income**).

If the fund is entitled to a franking credits tax offset, 'gross up' the franked dividend distribution to include the fund's share of any attached franking credits. Show all grossed up distributions at label **I**.

Write the fund's share of the franking credits attached to such dividend distributions at item **12** – label:

- **E1 Complying fund's franking credits tax offset**, if the fund is a complying superannuation fund, complying ADF or PST
- **C2 Rebates and tax offsets**, if the fund is a non-complying superannuation fund or non-complying ADF.

If the fund is not entitled to a franking credits tax offset, show only the amount of the franked dividend at label **I**. Don't show the franking credit attached to the dividend anywhere in the Fund income tax return.

To the extent the fund's share of partnership income includes an amount on which family trust distribution tax (FTDT) has been paid, don't include that amount in the fund's assessable income (section 271-105 in Schedule 2F to the *Income Tax Assessment Act 1936* (ITAA 1936)).

To the extent the fund's share of partnership income includes an amount received indirectly from a closely held trust on which trustee beneficiary non-disclosure tax (TBNT) has been paid, don't include that amount in the fund's assessable income (Sub-sections 102UK(2) and 102UM(2) ITAA 1936).

Any losses or outgoings that the fund incurred in deriving an amount that is excluded from assessable income because FTDT or TBNT has been paid are not deductible.

The fund can't claim a franking credit tax offset for any franking credits attributable to the whole or a part of a dividend that is excluded from assessable income because FTDT or TBNT has been paid.

If the TOFA rules apply to the fund, include gross distributions from partnerships from financial arrangements subject to the TOFA rules at label **I**.

From 1 July 2019, amounts at this item may now include Non-concessional MIT income (NCMI) or Excluded from non-concessional MIT income.

For more information about NCMI, see [Stapled structures](#).

Keep a record of the:

- full name of the partnership
- TFN of the partnership if known

- amount of income.

Notes for completing J Unfranked dividend amount, K Franked dividend amount, L Dividend franking credit

Labels **J**, **K** and **L** refer to dividends derived from investments in resident entities (Australian payers), including listed investment companies.

Dividends or non-share dividends that the fund receives from Australian payers may carry franking credits. Such dividends are called franked dividends, and the franking credits they carry reflect the amount of tax paid by the payer.

Dividends and non-share dividends where no tax has been paid are called unfranked dividends.

Add all the franked and unfranked dividend amounts received and all the franking credits to determine the fund's assessable income from these dividends.

Non-share dividends are treated in the same way as dividends. Show the amount of the non-share dividends, whether franked or unfranked, and any amount of franking credit attached to those dividends, at the appropriate place on the tax return as if they were for shares.

Non-share dividends are returns paid on non-share equity interests. These interests are not shares in legal form but are treated in the same way as shares under the debt and equity rules. [Guide to the debt and equity tests](#) provides an overview of the debt and equity rules and explains what a non-share equity interest is.

To the extent that FTDT has been paid on a dividend (including a non-share dividend) paid or credited to the fund by a company that has made an interposed entity election, don't include in the assessable income of the fund the amount that is made not assessable income and not exempt income by section 271-105 in Schedule 2F to the ITAA 1936.

- Any losses or outgoings that the fund incurred in deriving an amount that is excluded from assessable income because FTDT has been paid are not deductible.

- The fund can't claim a franking credit tax offset for any franking credit attributable to the whole or a portion of a dividend that is excluded from assessable income because FTDT has been paid.

If a complying superannuation fund, complying ADF or a PST received a dividend from a private company, you must establish whether the dividend is non-arm's length income. If the dividend is non-arm's length income, show the dividend amount (along with any attached franking credit for which the fund is entitled to a franking credit tax offset) at label [U Net non-arm's length income](#).

For more information, see Taxation Ruling [TR 2006/7](#) *Income tax: special income derived by a complying superannuation fund, a complying approved deposit fund or a pooled superannuation trust in relation to the year of income*.

Dividends that form part of a share of net income from trusts must be shown at labels **N** or **O** and **P** and not at labels **J**, **K** or **L** (unless it is non-arm's length income in which case it is included at label [U Net non-arm's length income](#)).

Dividends that form part of a partnership distribution are shown at label **I** and not at labels **J**, **K** or **L** (unless it is non-arm's length income in which case it is included at label [U Net non-arm's length income](#)).

J Unfranked dividend amount

Write at label **J** the total amount of unfranked dividends and unfranked non-share dividends that the fund received.

Don't show at label **J**:

- unfranked distributions from a New Zealand franking company; show them at item **10** – labels **D1 Gross foreign income** and **D Net foreign income**
- the unfranked part of a distribution from a pooled development fund (PDF). The unfranked part of the distribution is exempt from income tax and is not included in the fund's assessable income. However, this amount of exempt income must be taken into account when working out the amount of the fund's tax loss at item **11 Deductions** – label **M Tax losses deducted**.

If the TOFA rules apply to the fund, include unfranked dividends from financial arrangements subject to the TOFA rules at label **J**.

K Franked dividend amount

Write at label **K** the total amount of franked dividends and franked non-share dividends that the fund received.

Don't show at label **K**:

- franking credits attached to the dividends included at label **K**; show these at label **L**
- franked dividends that the fund received from a New Zealand franking company; show these at item **10** – labels **D1 Gross foreign income** and **D Net foreign income**.

The franked part of a distribution from a PDF is exempt from income tax, unless you elect to include the amount in the fund's assessable income. In that case, the franked part of the distribution and the franking credit on the distribution worked out in accordance with Subdivision 207-A of the ITAA 1997, are included in the fund's assessable income. Show the franked part of the distribution at label **K** and the attached franking credit at label **L**. If you didn't make such an election don't show the franked part of the distribution at label **K** or the attached franking credit at label **L**.

If the fund qualifies for a venture capital franking credits tax offset, so much of the franked part of the distribution that is franked with a venture capital credit is exempt from income tax. You can't elect to include this amount in the fund's assessable income; don't show it at label **K**. However, the fund may claim a tax offset in relation to a distribution franked with a venture capital credit even though the distribution is exempt from income tax. The tax offset is included at item **12 Calculation statement** – label **C2 Rebates and offsets**.

The amount of exempt income must also be taken into account when working out the amount of the fund's tax loss at item **11 Deductions** – label **M Tax losses deducted**.

L Dividend franking credit

Write at label **L** the total amount of the franking credits attached to franked dividends and franked non-share dividends:

- that the fund received and for which the fund is entitled to a franking credits tax offset.

Don't show franking credits at label **L** if:

- the fund is not a qualified person in relation to the dividend
- the [dividend washing integrity rule](#) applies
- there is some other manipulation of the imputation system – the Commissioner may make a determination to deny imputation benefits where you have entered into a scheme for a non-incidental purpose of obtaining franking credit benefits.

Franking credits reduce the amount of tax that the fund owes. Generally, franking credits in excess of the tax payable will be refunded if the fund is a complying superannuation fund, complying ADF or PST.

Write the amount of franking credits attached to franked dividends and franked non-share dividends that the fund received at item **12** – label:

- **E1 Complying fund's franking credits tax offset**, if the fund is a complying superannuation fund, complying ADF or PST
- **C2 Rebates and offsets**, if the fund is a non-complying superannuation fund or a non-complying ADF.

If the franking credit is attached to a franked dividend that is non-arm's length income of a complying superannuation fund, complying ADF or PST, don't show the franking credit at label **L**. Include the franking credit (and the dividend amount) at label **U Net non-arm's length income**.

Don't show at label **L** franking credits attached to assessable dividends received directly or indirectly from a New Zealand franking company. Include these at label **E Australian franking credits from a New Zealand company**.

If you elect to include the franked part of a distribution from a PDF in the fund's assessable income, you must also include the franking credit on the distribution (worked out in accordance with Subdivision 207-A of the ITAA 1997) in the fund's assessable income. Write the franking credit at label **L** and the franked part of the distribution at label **K**.

If you did not elect to include the franked part of a distribution from a PDF in the fund's assessable income, don't show the franking credit at label **L** or the franked part of the distribution at label **K**.

Distributions from trusts

The fund's share of net income from trusts may include foreign income, capital gains, unfranked distributions, franked distributions, and franking credits referable to these distributions and other amounts.

Write the different components of the net income from trusts as follows:

- foreign income, including New Zealand franking company dividends and supplementary dividends, at **D1 Gross foreign income** and take it into account in calculating **D Net foreign income** unless it is non-arm's length income of a complying superannuation fund, complying ADF or a PST, in which case include it at label [U Net non-arm's length income](#)
- capital gains at **A Net capital gain** unless and to the extent that the net capital gain reflects a non-arm's length capital gain in which case write at label [U Net non-arm's length income](#). For information on how to work out a capital gain received from a trust at label **A**, for example, how to gross up a trust capital gain, see the [Guide to capital gains tax 2024](#)
- other amounts at labels **N Trust distributions unfranked amount** to **Q Trust distributions other amounts** unless it is non-arm's length income of a complying superannuation fund, complying ADF or a PST, in which case include it at label [U Net non-arm's length income](#)
 - any amount you write at labels **N** to **Q** can't be a loss
 - income from stapled securities received as trust distributions is shown at labels **N** to **Q** as appropriate.

Include at label **Q** any amounts of Non-concessional MIT income (NCMI) or Excluded from non-concessional MIT income. Specific rules applying to stapled structures took effect from 1 July 2019. For more information about NCMI, see [Stapled structures](#).

Share of credits

Write at item **12 Calculation statement** – label **H2 Credit for tax withheld – foreign resident withholding (excluding capital gains)** the fund's share of any foreign resident withholding credits received from trusts. Don't include credits for foreign resident capital gains withholding amounts. Include this amount at label **H8**.

Write at item **12** – label **H3 Credit for tax withheld – where ABN or TFN not quoted (non-individual)** the fund's share of any credit for TFN amounts withheld from interest, dividends or income of a unit trust to which the fund was presently entitled from another trust.

Write at item **12** – label **H5 Credit for TFN amounts withheld from payments from closely held trusts** any amounts withheld by a trustee of a closely held trust because the fund had not provided its TFN to the trustee.

Write at item **12** – label **H8 Credit for foreign resident capital gains withholding amounts** any amounts withheld from the sale proceeds of certain taxable Australian property where the vendor is a foreign resident and no exclusion applies.

Don't show distributions from PSTs at labels **N** to **Q**.

Family trust distribution tax and trustee beneficiary non-disclosure tax

To the extent that FTDT has been paid on income or capital included in the fund's share of net income from a trust, don't include in the fund's assessable income the amount that is made not assessable income and not exempt income by section 271-105 in Schedule 2F to the ITAA 1936.

To the extent the fund's share of net income from a trust includes an amount on which TBNT has been paid, don't include that amount in the fund's assessable income.

Any losses or outgoings that the fund incurred in deriving an amount that is excluded from assessable income because FTDT or TBNT has been paid are not deductible.

The fund can't claim a franking credit tax offset for any franking credits attributable to the whole or a part of a dividend that is excluded from assessable income because FTDT or TBNT has been paid.

Include all of the net income from trusts at the relevant labels **N** to **Q** even if the fund is subject to the TOFA rules and even if the amounts are derived in respect of financial arrangements.

N Trust distributions unfranked amount

Write at label **N** the total amount of unfranked dividends and unfranked non-share dividends included in the fund's share of net income from

trusts.

Don't include at label **N** dividends that form part of a share of net income from trusts that are non-arm's length income. Instead write the dividend amount at label **U** – Net non-arm's length income.

If you are a small APRA fund and you report a distribution from a trust at item **10** – label **N**, complete a [Trust income schedule 2024](#) and attach it to the fund income tax return.

O Trust distributions franked amount

Write at label **O** the total amount of franked distributions included in the fund's share of net income from trusts. Don't write at label **O** the fund's share of franking credits attached to a franked distribution – write these at label **P**.

Don't include at label **O** dividends that form part of a share of net income from trusts that are non-arm's length income. Instead write the dividend amount (along with any attached franking credit for which the fund is entitled to a franking credit tax offset) at label **U** – Net non-arm's length income.

If you are a small APRA fund and you report a distribution from a trust at item **10** – label **O**, complete a [Trust income schedule 2024](#) and attach it to the fund income tax return.

P Trust distributions franking credit

Write at label **P** the total amount of franking credits attached to franked distributions included in the fund's share of net income from trusts.

Don't show franking credits attached to franked distributions received through a trust if one of the following applies:

- the franking credits were attributable to a distribution from a New Zealand franking company; if the fund received franking credits indirectly from a New Zealand franking company, see [label E Australian franking credits from a New Zealand company](#)
- the fund is not a qualified person in relation to the dividend
- the fund's share of net income from the trust includes dividends paid or credited by a company that has made an interposed entity

election and FTDT has been paid; the dividend is excluded from assessable income under section 271-105 in Schedule 2F to the ITAA 1936 and a franking credit or tax offset can't be claimed for any franking credit attached to that dividend

- the [dividend washing integrity rule](#) applies
- the franked distribution from the trust is exempt income or non-assessable non-exempt income of the fund, other than a distribution that is exempt from income tax under the ECPI rules; see [label Y Exempt current pension income](#).

If the fund is entitled to a franking credits tax offset, show the fund's share of the franking credits attached to such franked distributions at item **12 Calculation statement** – label:

- **E1 Complying fund's franking credits tax offset**, if the fund is a complying superannuation fund, complying ADF or PST
- **C2 Rebates and tax offsets**, if the fund is a non-complying superannuation fund or non-complying ADF.

If the fund is not entitled to a franking credits tax offset, don't show the franking credit attached to the dividend anywhere in the Fund income tax return.

If there is some other manipulation of the imputation system the Commissioner may make a determination to deny imputation benefits where you have entered into a scheme for a non-incidental purpose of obtaining franking credit benefits.

Don't include at label **P** any franking credit attached to a dividend that forms part of a share of net income from trusts that is non-arm's length income. Instead write the franking credit for which the fund is entitled to a franking credit tax offset at label **U – Net non-arm's length income**.

If you are a small APRA fund and you report a distribution from a trust at item **10** – label **P**, complete a [Trust income schedule 2024](#) and attach it to the fund income tax return.

Q Trust distributions other amounts

Write at label **Q** the total amount of the fund's share of net income from trusts that is not included at either:

- labels **N** to **P** (Trust distributions unfranked amount, Trust distributions franked amount or Trust distributions franking credit)
- any other label in the return.

Write at label **Q** any amounts of interest income and rental income that were included in a fund's share of net income from a trust.

Don't include other amounts of trust distributions at label **Q** to the extent it is non-arm's length income of a complying superannuation fund, complying ADF or a PST – show this amount at label **U Net non-arm's length income**.

If you are a small APRA fund and you report a distribution from a trust at item **10** – label **Q**, complete a [Trust income schedule 2024](#) and attach it to the fund income tax return.

Keep a record of the:

- full name of the trust
- TFN of the trust
- amount of income.

R Assessable contributions

Write at label **R** the total assessable contributions received by the fund for 2023–24.

Calculate the amount at item **10** – label **R** by adding the amounts at labels:

- **R1 Assessable employer contributions**
- **R2 Assessable personal contributions**
- **R3 No-TFN-quoted contributions.**

Then subtract the amounts at labels:

- **R4 Contributions excluded by trustee**
- **R5 Pre 1 July 1988 funding credits**
- **R6 Transfer of liability to life insurance company or PST.**

Don't include at label **R** the following contributions (because they don't form part of the fund's assessable income):

- super co-contributions and low income super tax offset made under the *Superannuation (Government Co-contribution for Low Income Earners) Act 2003*
- contributions for a person under 18 that are not made by, or on behalf of, the person's employer
- payments by a member of another superannuation fund to a regulated superannuation fund to be held for the benefit of their former spouse (sometimes referred to as 'member spouse contributions') where there is a splitting of a superannuation interest due to marriage or relationship breakdown
- spouse contributions for which the contributor can't claim a deduction
- a contribution made to a life insurance company or a PST by an entity that was a trustee of a complying superannuation fund, a complying ADF or a PST when the contribution was made.

A spouse of a member includes another person (of any sex) who was either:

- in a relationship with the member, that was registered under a prescribed state or territory law
- not legally married to the member but lived with the member on a genuine domestic basis in a relationship as a couple.

Generally, the liability for tax on contributions lies with the trustee of a fund receiving the contributions. Complying superannuation funds, non-complying superannuation funds that are Australian superannuation funds and ADFs can apply the deduction provisions as if all contributions made to them are included in assessable income. However, other superannuation funds may only be entitled to a deduction for the cost of collecting assessable contributions.

Show the deductions allowable against contributions at the appropriate labels in [Section C: Deductions](#).

R1 Assessable employer contributions

Write at label **R1** the total of assessable contributions and payments received by the fund from someone other than the member (such as their employer) in 2023–24.

Include:

- all contributions for a member paid by an employer (including amounts contributed under effective salary sacrifice arrangements) or by another third party to a complying superannuation fund, or to a non-complying superannuation fund where that fund is an Australian superannuation fund
- all contributions for a member paid by an employer (including amounts contributed under effective salary sacrifice arrangements) or by another third party to a superannuation fund that is not an Australian superannuation fund that relate to a period when the member was an Australian resident, or was a foreign resident deriving employment or similar income, such as salary or wage income, that is subject to Australian withholding payment rules
- shortfall amounts paid by us to a complying superannuation fund or a complying ADF under the provisions of the *Superannuation Guarantee (Administration) Act 1992*
- amounts transferred by us from the Superannuation Holding Accounts Special Account to a complying superannuation fund under the provisions of the *Small Superannuation Accounts Act 1995*, other than amounts that represent super co-contributions or low income super tax offset.

If the fund is a non-complying foreign superannuation fund don't include at label **R1** contributions made for an employee who is a temporary resident at the end of the income year to which the contribution relates.

Don't include at label **R1** contributions received for a member who has not quoted their TFN. Show these contributions at label **R3 No-TFN-quoted contributions**.

Label **R1** is used to determine label **R Assessable contributions**.

R2 Assessable personal contributions

Show at label **R2** the total of assessable personal contributions.

Personal contributions are assessable contributions of a complying superannuation fund only if the contributor has provided a valid notice stating their intent to claim a deduction for their contributions and the trustee has acknowledged receipt of the notice.

A rollover superannuation benefit is also assessable to a fund (as a successor fund) to the extent that the benefit relates to a contribution

that was not covered by a valid and acknowledged deduction notice given to the transferring fund, but for which the successor fund holds a valid deduction notice that the trustee of the successor fund has acknowledged.

The contribution or benefit is included in the income year in which it is received if the notice is received by the time the fund lodges its income tax return for that income year. Otherwise the contribution is included in the income year in which the notice is received.

If the fund receives a notice varying the amount of a previous valid *Notice of intent to claim a deduction for personal super contributions* before the fund lodges its tax return for that income year, show at label **R2** the reduced amount of the contribution or benefit.

If the fund receives a notice varying the amount of a previous valid notice of intent to claim a deduction for personal super contributions after it has lodged its tax return for the income year that included the contribution as assessable income it can either:

- amend the tax return for the income year in which it included the contribution as assessable income
- deduct an amount in the income year it received the notice varying the amount, see, item **11 Deductions** – label **L Other deductions**.

Other amounts that are included in the fund's assessable income at label **R2** include:

- the untaxed element, up to the untaxed plan cap amount (\$1.705 million in 2023–24) of a rollover superannuation benefit (it is included in the income year in which it is received by the fund)
- the untaxed element of the rollover superannuation benefits that are taken to be paid to a complying superannuation fund as a result of the complying superannuation fund ceasing to be a constitutionally protected fund during the income year or at the end of the previous income year.

Label **R2** is used to determine label **R Assessable contributions**.

R3 No-TFN-quoted contributions

Write at label **R3** all contributions received that were for a member who has not quoted a TFN, unless the member's account was opened before 1 July 2007 and the member's total assessable contributions for the income year are \$1,000 or less. If this exception applies, report

employer contributions for the member at label **R1**, even though the member has not quoted their TFN to the fund.

Label **R3** is mandatory. You must include an amount at label **R3**, even if it is zero (if zero write **0**).

The fund will be liable for additional tax on no-TFN-quoted contributions. For a complying superannuation fund, the additional tax is 32% (that is, in addition to 15%). For a non-complying superannuation fund, the additional tax is 2% (that is, in addition to the 45% tax). The effect of the additional tax is that the no-TFN-quoted contribution is subject to an overall tax rate of 47%. This additional tax must be paid regardless of any tax offsets or amounts the fund may have transferred to a life insurance company or PST; see label **R6 Transfer of liability to life insurance company or PST**.

For an illustration of how this additional tax is applied, see [Example 4](#).

Label **R3** is used to determine label **R Assessable contributions**.

Show additional tax payable as a result of a member not quoting a TFN at item **12** – label **J Tax on no-TFN-quoted contributions**.

If a member quotes their TFN to the fund in 2023–24 for the first time, and the fund paid additional tax on no-TFN-quoted contributions in one of the most recent 3 income years ending before 2023–24, in relation to that member not having quoted, then a tax offset can be claimed at item **12** – label **E2 No-TFN tax offset** for that additional tax.

R4 Contributions excluded by trustee

Show at label **R4** the contributions the trustee of a public sector superannuation scheme, with the contributor's consent, chooses not to include in its assessable income (under section 295-180 of the ITAA 1997). The amount of contributions that the choice can cover is limited to the sum of amounts covered by notices given by the trustee under section 307-285 of the ITAA 1997 for superannuation benefits paid in the income year. The choice can't be revoked or withdrawn.

A choice can't be made in relation to a public sector superannuation scheme that came into operation after 5 September 2006.

Label **R4** is used to determine label **R Assessable contributions**.

R5 Pre 1 July 1988 funding credits

Write at label **R5** the amount by which the fund (if it is a complying superannuation fund) chooses to reduce contributions, which would otherwise be included in its assessable income, through applying available pre-1 July 1988 funding credits (section 295-265 of the ITAA 1997).

Subsection 295-265(2) sets out the methodology to determine whether funding credits are available. Subsections 295-265(5) and (6) limit the amount of funding credits that can be used.

Label **R5** is used to determine label **R Assessable contributions**.

R6 Transfer of liability to life insurance company or PST

Write at label **R6** the amount, which would otherwise have been included in the fund's assessable income for the income year under Subdivision 295-C of the ITAA 1997, that the trustee of the complying superannuation fund or a complying approved deposit fund (the 'transferor') has agreed to transfer to a life insurance company or PST (the 'transferee') pursuant to an agreement with that transferee entity. The amount of the income transferred is included in the transferee entity's assessable income instead.

The fund (transferor) must hold sufficient investments in a transferee entity to cover the tax payable by the transferee entity as a result of the transfer.

The total amount transferred by the fund under all such agreements can't exceed the amount that would otherwise have been included in the fund's assessable income under Subdivision 295-C of the ITAA 1997.

The agreement to transfer must be in writing, signed by both parties, must be made before the lodgment of the fund's tax return, and can't be revoked. The trustee can only make one agreement for an income year with a particular transferee.

Superannuation funds can't transfer the tax liability on no-TFN contributions income to a life insurance company or a PST. This is the case even if the fund has agreed to transfer 100% of the amount that would otherwise have been included in the fund's assessable income for the income year under Subdivision 295-C of the ITAA 1997.

Label **R6** is used to determine label **R Assessable contributions**.

Keep all relevant documents as evidence of the transferee's consent to accept the transfer of assessable contributions and the associated tax liability.

G Foreign exchange gains

Write at label **G** assessable [foreign exchange gains](#) (from both foreign and domestic sources) made by the fund.

If the TOFA rules apply to the fund, include all assessable foreign exchange gains from financial arrangements subject to the TOFA rules at label **G**.

S Other income

Write at label **S** the assessable amount of any income received that does not fall into any of the other categories shown at item **10** – labels **A** to **U**. Other income may include, but is not limited to, the following categories.

- [Taxation of financial arrangements](#)
- [Listed investment company \(LIC\) capital gain amount](#)
- [Assessable balancing adjustment amounts](#)
- [Rebate or refund of premium paid to provide death or disability benefits](#)
- [Gross payments subject to foreign resident withholding in Australia.](#)

Taxation of financial arrangements

If the TOFA rules apply to calculate an assessable gain or deductible loss on the fund's financial arrangements, include at label **S** any assessable TOFA gains relating to the financial arrangements.

TOFA amounts that have been included elsewhere should **not** be included here. For example, amounts that have already been included at item **10** – labels:

- **C Gross interest**
- **D1 Gross foreign income**
- **D Net foreign income**

- **I Gross distribution from partnerships**
- **J Unfranked dividend amount**
- **N Trust distributions unfranked amount**
- **Q Trust distributions other amounts**
- **G Foreign exchange gains.**

If what you show at label **S** or elsewhere in **Section B: Income** includes an amount brought to account under the TOFA rules, also complete [item 16 Taxation of financial arrangements \(TOFA\)](#).

For more information, see [Guide to the taxation of financial arrangements \(TOFA\)](#).

Listed investment company (LIC) capital gain amount

If a complying superannuation fund, complying ADF or PST received a distribution from a partnership or a share of net income from a trust, and that partnership or trust claimed a deduction for a LIC capital gain amount, then the superannuation fund, ADF or PST must add back one-third of its share of the deduction claimed by the partnership or trust and include the amount at label **S**.

If a non-complying superannuation fund or non-complying ADF received a distribution from a partnership or a share of net income from a trust, and that partnership or trust claimed a deduction in respect of a LIC capital gain amount, then the non-complying superannuation fund or non-complying ADF must add back its share of the deduction claimed by the partnership or trust and include the amount at label **S**.

Assessable balancing adjustment amounts

If the superannuation entity ceases to hold or to use a depreciating asset, it will need to calculate a balancing adjustment amount to include at label **S** as assessable income or to claim as a deduction at item **11 Deductions** – label **L Other deductions**. For more information, see the [Guide to depreciating assets 2024](#).

Rebate or refund of premium paid to provide death or disability benefits

Write at label **S** rebates and refunds of insurance premiums received by a complying superannuation fund and attributable to amounts that the fund had previously deducted for insurance premiums to provide:

- superannuation death benefits
- benefits payable because of the existence of a terminal medical condition
- disability superannuation benefits
- benefits payable because of a person's temporary inability to engage in gainful employment.

Only the part of the rebate or refund attributable to the amount deducted is included in the fund's assessable income.

Gross payments subject to foreign resident withholding in Australia

Write at label **S** gross payments made to the fund that are subject to foreign resident withholding in Australia. Gross payments includes amounts of tax withheld.

Only include such income at label **S** if the fund is a foreign resident.

If you show a credit for tax withheld at item **12** Calculation statement – label **H2 Credit for tax withheld – foreign resident withholding (excluding capital gains)** you must show the corresponding gross payment at label **S** (unless it is already included at either label **I Gross distribution from partnerships** or **Q Trust distributions other amounts**).

A payment may be required to be shown at label **S** even if the credit for tax withheld is nil.

Don't include at label **S**:

- gross distributions of payments subject to foreign resident withholding in Australia that were distributed to the fund from partnerships and trusts. Instead, include the distributions from partnerships at label **I Gross distribution from partnerships** and include the share of net income from trusts at label **Q Trust distributions other amounts**.
- payments where the amount of foreign resident withholding was varied to nil because the income was not taxable under a double tax

agreement.

If you show gross payments at label **S**, complete and attach a *Non-individual PAYG payment summary schedule 2024*.

For instructions on completing this schedule, see [Non-individual PAYG payment summary schedule](#).

Gross distributions of payments prescribed for foreign resident withholding purposes from a partnership or trust don't have an associated payment summary.

Print in the **Code** box the code from **Table 3** that best describes the largest amount included at label **S**.

Table 3: Other income codes

Code	Type
T	Assessable TOFA gains
C	LIC capital gain amount
B	Assessable balancing adjustment amount
R	Rebate or refund of premium paid to provide death or disability benefits
W	Gross payments subject to foreign resident withholding (excluding capital gains) in Australia
O	Other income received not listed above

T Assessable income due to changed tax status of fund

Write at label **T** the amount that is to be included in the fund's assessable income as a result of a change in tax status of the fund.

A fund that changes from complying to non-complying, or a fund that changes from being a foreign fund to an Australian superannuation fund, must calculate the amount of ordinary income and statutory income from previous income years using the appropriate formula

below. The amount calculated is included at label **T** in the income year that the status of the fund changed.

A change in compliance or residency status for a fund may result in changes in tax rates which apply to the taxable income of the fund. Find out about when:

- [The fund became a non-complying fund during the year](#)
- [The fund was, but no longer is, a foreign fund.](#)

The fund became a non-complying fund during the year

If during the income year the fund changed from being a complying superannuation fund to a non-complying superannuation fund, the fund's assessable income for that income year includes its ordinary income and its statutory income from previous income years, as calculated using **formula A**.

In effect, the fund loses the benefit of tax concessions that it obtained as a complying superannuation fund.

Formula A: Asset value – Non-concessional contributions = Assessable amount

For formula A:

- Asset value: is the total of the market values of the fund's assets immediately before the start of the income year in which the fund became non-complying.
- Non-concessional contributions (formerly referred to as 'undeducted contributions') is the total of
 - the part of the crystallised undeducted contributions that relate to the period after 30 June 1983, and
 - the contributions segment for current members at the time that have not been, and can't be, deducted.
- Assessable amount – is the result of formula A amount to include at label **T**.

Write at label **T** the amount calculated using formula A.

The fund was, but no longer is, a foreign fund

If a fund was a foreign superannuation fund and became an Australian superannuation fund during the income year, its assessable income for that income year includes the amount calculated using **formula B**.

Formula B: Asset value – Member contributions = Assessable amount

For formula B:

- Asset value: is the total of the market values of the fund's assets immediately before the start of the income year in which the fund became an Australian superannuation fund.
- Member contributions: is the amount in the fund at that time representing contributions made by current members.
- Assessable amount: is the result of formula B amount to include at label **T**.

Write at label **T** the amount calculated using formula B.

The fund is not entitled to a tax offset (at item **12 Calculation statement** – label **C1 Foreign income tax offset**) for foreign income tax paid before the start of the income year with respect to income reported at label **T** as a result of the change in the tax status of the fund.

U Net non-arm's length income

Write at label **U** the net amount of ordinary income or statutory income derived that is non-arm's length income.

This includes:

- private company dividends (including non-share dividends), unless consistent with an arm's length dealing
- a net capital gain to the extent that it reflects a non-arm's length capital gain
- income derived as a beneficiary of a trust other than holding a fixed entitlement to the income of the trust
- non-arm's length income derived that is greater than what might have been expected to be derived had the parties dealt with each other at arm's length dealing, including non-arm's length income

derived as a beneficiary of a trust through holding a fixed entitlement to the income of the trust

- For regulated superannuation funds with no more than 6 members only (also referred to as 'small APRA funds') also include:
 - in gaining or producing the income, non-arm's length income as a result of a loss, outgoing or expenditure that is non-arm's length specific expenditure incurred (including a nil amount) that is less than that which might have been expected to be incurred if the parties were dealing with each other at arm's length.
 - in acquiring the entitlement or in gaining or producing the income, other non-arm's length income, derived as a beneficiary of a trust through holding a fixed entitlement to the income of the trust, as a result of a loss, outgoing or expenditure that is non-arm's length specific expenditure incurred (including a nil amount) that is less than what might have been expected to be incurred if the parties were dealing with each other at arm's length.

Don't include at label **U**:

- For small APRA funds, any non-arm's length income as a result of a non-arm's length general expense. Non-arm's length income as a result of a general expense is calculated using a '**Twice the difference approach**'. Don't put this 'Twice the difference approach' amount at any label in Section B: Income. Rather, this amount will be taken into account when calculating the 'Tax on taxable income' at [label T1 in Section D](#).
- For large APRA funds, exempt public sector superannuation funds, pooled superannuation trusts (PSTs) and approved deposit funds (ADFs), any non-arm's length income arising from non-arm's length expenses (both non-arm's length general and specific expenses).
- For all superannuation entities, any non-arm's length income arising from non-arm's length expenses incurred or expected to have been incurred before 1 July 2018.

Each amount of non-arm's length income is reduced by any deductions attributable, either in whole or in part, to that income. Deductions against that income are those that relate exclusively to the non-arm's length income, and as much of other deductions that appropriately relate to that income.

The amounts deducted against the fund's non-arm's length income should not be shown in **Section C: Deductions**, except, for small APRA funds, where the 'Twice the difference approach' applies as a result of a general expense being incurred. The actual amount of non-arm's length general expense incurred which gave rise to the 'Twice the difference approach' is included as a deduction at the appropriate label in **Section C – Deductions**, to the extent that it is deductible.

Note: Due to retrospective law changes for non-arm's length general expenses, label **U** may not align with the descriptor on the tax return being 'subject to 45% tax rate'. If the net amount of non-arm's length income is a loss, don't show the loss at label **U**. Quarantine the loss for future offset against future non-arm's length income. Keep a record of the quarantined loss amount with the fund's tax records.

For more information, see:

- Taxation Ruling [TR 2006/7](#) *Income tax: special income derived by a complying superannuation fund, a complying approved deposit fund (ADF) or a pooled superannuation trust (PST) in relation to the year of income*
- Law Companion Ruling [LCR 2021/2](#) *Non-arm's length income – expenditure incurred under a non-arm's length arrangement.*

Non-arm's length trust distributions

For all superannuation entities, a share of net income from a trust is non-arm's length income if:

- the fund, as a beneficiary of a trust, does not have a fixed entitlement to income from the trust (generally discretionary trusts), see subsection 295-550(4) of the ITAA 1997, or
- all of the following apply:
 - the fund has a fixed entitlement to income from the trust
 - as a result of a scheme where the parties were not dealing with each other at arm's length, and
 - the fund's share of the net income is more than it might have been expected to derive had the parties been dealing with each other at arm's length; see subsection 295-550(5) of the ITAA 1997.

For small APRA funds, a share of net income from a trust is also non-arm's length income if:

- all of the following apply:
 - the fund has a fixed entitlement to income of the trust
 - as a result of a scheme where the parties were not dealing with each other at arm's length
 - in acquiring the entitlement or in gaining or producing the income, the fund incurs a loss, outgoing or expenditure (including a nil amount) that the fund might have expected to incur had the parties been dealing with each other at arm's length; see subsection 295-550(5) of the ITAA 1997.

If the fund's share of net income includes franked dividends (or franked non-share dividends), gross up the share of net income by including the attached franking credits that the fund is entitled to and reduce this amount by any related deductions. Include the grossed up amount in the amount shown at label **U**.

To claim a franking credit tax offset for these franking credits, the fund includes the amount of franking credits at item **12 Calculation statement** – label **E1 Complying fund's franking credits tax offset**.

If a share of net income includes a capital gain, calculate the capital gain as per the instructions at label **A Net capital gain**. To the extent the net capital gain reflects any non-arm's length capital gain it should be shown at label **U**.

If you are a small APRA fund and you report a non-arm's length trust distribution at item **10** label **U**, complete a [Trust income schedule 2024](#) and attach it to the fund income tax return.

For more information, see:

- Taxation Ruling [TR 2006/7](#) *Income tax: special income derived by a complying superannuation fund, a complying approved deposit fund or a pooled superannuation trust in relation to the year of income*
- Law Companion Ruling [LCR 2021/2](#) *Non-arm's length income – expenditure incurred under a non-arm's length arrangement.*

Non-arm's-length private company dividends

A dividend paid by a private company, or ordinary income or statutory income that is reasonably attributable to such a dividend, is non-arm's length income of a complying superannuation fund, complying ADF or PST unless the amount is consistent with an arm's length dealing.

In deciding whether the amount is consistent with an arm's length dealing, consideration must be given to:

- the value of the shares held by the fund or PST in the company
- the cost to the fund or PST of the shares on which the dividends were paid
- the dividend rate on those shares
- whether dividends have been paid on other shares in the company, and the dividend rate
- whether the company has issued shares in lieu of dividends to the fund or PST, and the circumstances of the issue
- any other relevant circumstances (which may include any connection between the private company and the fund or PST).

If private company dividends (including non-share dividends) are non-arm's length income, gross up the amount of private company dividends (including non-share dividends) to include any attached franking credits and reduce this amount by any related deductions and include the result at label **U**.

For a complying superannuation fund, complying ADF or PST, include the amount of franking credits attached to such dividends at item **12 Calculation statement** – label **E1 Complying fund's franking credits tax offset**.

If private company dividends (including non-share dividends) are consistent with an arm's length dealing, such that the amount should not be treated as non-arm's length income, show these dividends at item **10** either label:

- **J Unfranked dividend amount**, or
- **K Franked dividend amount** and **L Dividend franking credit**

If applicable, you will need to show these dividends at labels:

- **D Net foreign income**
- **D1 Gross foreign income** and

- **E Australian franking credits from a New Zealand company.**

Other types of income

For all superannuation entities, an amount of income is also non-arm's length income if:

- the parties to a scheme were not dealing with each other at arm's length in relation to the scheme, and
- the amount of income is greater than what might have been expected had the parties been dealing with each other at arm's length in relation to the scheme. Whether that is the case depends on all of the circumstances of the relationship, including the return on the investment and the commercial risks undertaken by the fund.

For small APRA funds, an amount of income is also non-arm's length income if:

- the parties to a scheme were not dealing with each other at arm's length in relation to the scheme, and
- in gaining or producing the income, it incurs (including a nil amount) a loss, outgoing or expenditure that is less than what might have been expected to be incurred if the parties were dealing with each other at arm's length.

The expenses may be revenue or capital or of a capital nature.

W Gross income

Write at label **W** the total of all income from labels **A** to **U** (which includes income from label **X**).

Don't include any amount from the following labels because it would have already been included in the respective totals at labels **D** and **R**:

- **D1** Gross foreign income
- **R1** Assessable employer contributions
- **R2** Assessable personal contributions
- **R3** No-TFN-quoted contributions
- **R4** Contributions excluded by trustee
- **R5** Pre 1 July 1988 funding credits

- **R6** Transfer of liability to life insurance company or PST.

Where there is no income, write **0** (zero) at label **W**. If the amount shown is a loss, print **L** in the box at the right of the amount.

Y Exempt current pension income

Write at label **Y** the exempt current pension income (ECPI) of a complying fund or PST.

Some or all of the ordinary income and statutory income of a complying superannuation fund or PST, which would otherwise be assessable income, may be exempt income as it relates to the current pension liabilities of the fund or PST unitholders. All of the ordinary income and statutory income of the fund or PST has been included as part of the total shown at label **W**. Therefore, to ensure the income derived is appropriately taxed, it is necessary to subtract the exempt amount at label **Y** from label **W** to calculate label **V Total assessable income**.

Don't reduce the exempt income shown at label **Y** by the amount of expenses incurred in deriving that exempt income. Doing so will understate the amount of ECPI and will result in some of that income being subject to tax.

Expenses incurred in gaining or producing exempt income are not deductible. Don't show those expenses anywhere at item **11**

Deductions.

For treatment of expenses incurred wholly or partly in producing assessable income, see [Section C: Deductions](#).

Current pension liabilities are the fund's currently existing liabilities to pay retirement phase superannuation income stream benefits (superannuation income stream benefits paid from superannuation income streams that are in retirement phase).

From 1 July 2017, the exemption applies only to current pension liabilities in respect of superannuation income streams that are in retirement phase. A transition to retirement income stream (TRIS) will not be in retirement phase unless the recipient is 65 years old or older, or has notified the fund they have met a condition of release with a nil cashing restriction (retirement, terminal medical condition or permanent incapacity).

An account-based pension **is not** in retirement phase if that income stream is specified in a commutation authority issued by the Commissioner and the fund has not complied with the authority.

A deferred superannuation income stream **is** in retirement phase where the intended recipient has met a condition of release with a nil cashing restriction (retirement, terminal medical condition, permanent incapacity or 65 years old or older).

There are 2 methods by which the trustee of a fund can determine the exempt income shown at label **Y**. Either one method or both methods may be used depending on the circumstances. Different conditions for claiming the exemption apply, depending on the method used.

A fund is entitled to a franking credit tax offset even where the franked dividends are part of ECPI.

Small superannuation funds – exempt current pension income method

Complying funds with no more than 6 members (a small superannuation fund), should refer to ECPI for small superannuation funds to confirm which ECPI method the fund is eligible to use and their actuarial certificate requirements.

First method: Income from segregated assets used to meet current pension liabilities

The following content does not apply to small superannuation funds. See, [ECPI](#) for small superannuation funds.

If a complying fund segregates certain assets to provide for current pension liabilities in respect of retirement phase superannuation income stream benefits, the income from those assets is exempt from income tax (section 295-385 of the ITAA 1997).

Non-arm's length income and assessable contributions can't be exempt from income tax under the ECPI rules.

The market value of the assets that the fund has segregated to provide for current pension liabilities in respect of retirement phase superannuation income stream benefits can't exceed the balance of the accounts that pay the income streams.

Fund in full retirement phase

When a fund has been in full retirement phase for the entire income year, and the market value of the assets of the fund does not exceed the account balance supporting the benefits, the fund is required to use the segregated method to calculate ECPI.

When a fund has been in full retirement phase for part but not all of the income year, the fund may choose to treat all of the fund's assets as not being segregated current pension assets and use only the proportionate method to calculate ECPI for the entire income year.

If the fund does not make a choice, they must use the segregated method to calculate ECPI for the period they are in full retirement phase.

Note: This choice is not a formal election and does not have to be submitted to the ATO. However, it is expected that trustees will keep a record of any choice they make and the details of the calculation they use.

Certificate requirements

An actuarial certificate is not required if:

- assets that provide for current pension liabilities in respect of retirement phase superannuation income stream benefits are segregated at all times during the income year, and
- the only retirement phase superannuation income stream benefits being paid from the segregated assets are from allocated pensions, market linked pensions and account-based pension types (Section 295-385.01 of the *Income Tax Assessment (1997 Act) Regulations 2021*).

An actuarial certificate is required if the fund paid any other type of superannuation income stream. If an actuarial certificate is required, it must be for all the retirement phase superannuation income stream benefits that the fund paid (even if some of the income streams are allocated pensions, market linked pensions or account-based pensions).

If the trustee requires an actuarial certificate, this must be obtained before the date for lodgment of the fund's tax return.

Second method: Income from unsegregated assets used to meet current pension liabilities

The following content does not apply to small superannuation funds.

See, [ECPI](#) for small superannuation funds.

If a complying fund's income is derived from assets that are not segregated, the fund must get an actuarial certificate for each year they claim ECPI, regardless of the types of retirement phase superannuation income stream benefits being paid. The actuarial certificate will show the proportion that the fund will apply to its income (other than excluded income) to determine its exempt income. For the purpose of calculating exempt income using this method, non-arm's length income, assessable contributions, income derived from segregated non-current assets and income exempted under the first method are excluded from the fund's income (subsection 295-390(2) of the ITAA 1997).

An actuarial certificate is required under subsection 295-390(4) of the ITAA 1997. It must be obtained before the date for lodgment of the fund's tax return.

An actuarial certificate is also required if the fund has segregated non-current assets (subsection 295-395(1) of the ITAA 1997). It must be obtained before the date for lodgment of the fund's tax return.

Pooled superannuation trusts

There are 2 alternative methods by which the trustee of a PST determines the exempt income at label **Y**.

The first method is set out in subsection 295-400(1) of the ITAA 1997. That subsection sets out a formula for calculating the proportion of ordinary income and statutory income, that would otherwise be assessable income, that is, exempt income. The exempt proportion is represented by the average number of units in the PST during the income year that are segregated current pension assets of unitholders that are complying funds divided by the average number of units in the PST during the income year.

Non-arm's length income, and assessable income transferred by a fund to the PST under section 295-260 of the ITAA 1997, is excluded from the exemption.

Alternatively, the trustee of a PST can choose a different amount as exempt income of the PST by applying subsections 295-400(3) and (4) of the ITAA 1997. Under that method the proportion of income that is exempt is the percentage of assessable income of the PST that would have been exempt income under section 295-385 or 295-390

of the ITAA 1997 if it had been derived instead by the unitholders in the PST in proportion to their unit holdings in the PST.

Use Example 3 to help you calculate ECPI. Example 3 is made up of 3 parts:

- [Example 3a: calculating exempt current pension income for a fund in 'full pension phase'](#)
- [Example 3b: calculating exempt current pension income by the 'unsegregated assets' method](#)
- [Example 3c: applying tax losses for a fund with exempt current pension income](#)

Example 3a: calculating exempt current pension income for a fund in 'full pension phase'

The ABC Super Fund earned \$100,000 in interest and paid \$1,000 in bank fees. 100% of the fund's assets were held to provide for current pension liabilities.

The fund shows:

- \$100,000 interest as income at item **10** – label **C Gross interest**
- \$100,000 as exempt current pension income at item **10** – label **Y Exempt current pension income**.

The fund can't claim the \$1,000 in bank fees as a deduction because they were incurred in earning the exempt current pension income.

Example 3b: calculating exempt current pension income by the 'unsegregated assets' method

The DEF Super Fund earned \$60,000 in interest and paid \$500 in bank fees. Applying the second method for calculating exempt current pension income, the fund (having obtained an actuarial certificate) determines that 80% of its income is exempt current pension income.

The fund shows:

- \$60,000 interest as income at item **10** – label **C Gross interest**
- \$48,000 (that is, 80% of \$60,000) as exempt current pension income at item **10** – label **Y Exempt current pension income**
- a deduction of \$100 (that is, 20% of \$500) for bank fees at item **11** – label **I Investment expenses**.

The fund can't claim the remaining bank fees of \$400 (that is, 80% of \$500) as a deduction because they were incurred in earning the exempt current pension income.

Example 3c: applying tax losses for a fund with exempt current pension income

The GHY Super Fund earned \$30,000 in interest and paid \$200 in bank fees. Applying the second method for calculating exempt current pension income, the fund (having obtained an actuarial certificate) determines that 30% of its income was exempt current pension income. The fund has \$10,000 in tax losses carried forward from the previous income year.

The fund shows:

- \$30,000 interest as income at item **10** – label **C Gross interest**
- \$9,000 (that is, 30% of \$30,000) as exempt current pension income at item **10** – label **Y Exempt current pension income**
- a deduction for bank fees of \$140 (that is, 70% of \$200) at item **11** – label **I Investment expenses**.

The fund can't claim the remaining bank fees of \$60 (that is, 30% of \$200) as a deduction because they were incurred in earning the exempt current pension income.

The \$10,000 in tax losses carried forward must be reduced by net exempt income of \$8,940 (that is, \$9,000 of exempt income less bank fees of \$60 incurred in earning exempt income).

The fund shows:

- a deduction for tax losses of \$1,060 (that is, \$10,000 less \$8,940) at item **11** – label **M Tax losses deducted**
- tax losses carried forward to later income years at item **13** – label **U Tax losses carried forward to later income years** as zero.

The losses used in this example refer to tax losses rather than capital losses. For more information, see [Section E: Losses](#).

V Total assessable income

Write at label **V** the total assessable income or loss by subtracting label **Y Exempt Current Pension Income** from label **W Gross Income**.

Where there is no income, print **0** (zero) at label **V**. If the amount shown is a loss, print **L** in the box at the right of the amount.

Continue to: [Section C: Deductions](#)

Return to: [Instructions to complete the fund income tax return 2024](#)

QC 101694

Section C: Deductions

Deals with all deductions relating to 2023–24. Don't show cents for any amount you write.

Last updated 2 July 2024

Expenses not to show

Don't show anywhere in the tax return any expenses that the fund incurred in deriving exempt current pension income (ECPI). This means that those expenses cannot be included as part of any other deductions claimed at labels **A** to **L**.

Don't show anywhere in this section any expenses that the fund incurred in deriving non-arm's length income and used to calculate the amount at item **10 Income** – label **U Net non-arm's length income**. This means that those expenses cannot be included as part of any other deductions claimed at labels **A** to **L**. Each amount of non-arm's length income is reduced by any deductions attributable, either in whole or in part, to that income and is used to calculate the net amount at item **10 Income** – label **U Net non-arm's length income**. However, for small APRA funds, where the 'Twice the difference approach' applies as a result of a non-arm's length general expense incurred, the actual amount of general expense incurred which gave rise to the 'Twice the difference approach' is included as a deduction at the appropriate label in **Section C** – Deductions, to the extent that it is deductible.

A Interest expenses within Australia

Write at label **A** the deductible interest incurred on money borrowed from Australian sources for the purpose of earning assessable income to:

- acquire income-producing assets
- finance operations
- meet current expenses.

If the taxation of financial arrangements (TOFA) rules apply to the fund, include interest expenses within Australia from financial arrangements subject to the TOFA rules at label **A**.

B Interest expenses overseas

Write at label **B** the deductible interest incurred on money borrowed from overseas sources to:

- acquire income-producing assets
- finance operations
- meet current expenses.

If the TOFA rules apply to the fund, include interest expenses from overseas from financial arrangements subject to the TOFA rules at label **B**.

The fund should generally withhold an amount of tax (withholding tax) from interest paid or payable to non-residents, and from interest paid to a resident which was derived by the resident through an overseas branch. The fund must remit these amounts to us.

Record keeping

If the fund paid interest to non-residents, it must keep a record of the following:

- name and address of recipients
- amount of interest paid or credited
- amount of tax withheld and the date it was remitted to us.

If the fund has withheld amounts from payments to non-residents the fund may need to lodge by 31 October 2024 [PAYG withholding from interest, dividend and royalty payments paid to non-residents – annual report](#).

C Salary and wages

Write at label **C** the total deductible salary, wage and other labour costs incurred in respect of employees employed by the trustee of the fund.

These expenses include any salary and wages, superannuation contributions, allowances, bonuses, payments for casual labour, retainers and commissions paid to people who receive a retainer, and workers compensation paid through the payroll, where any of these payments are applicable to the fund.

Also included are direct and indirect labour, holiday pay, long service leave, lump sum payments, other employee benefits, overtime, payments under an incentive or profit sharing scheme, retiring allowances and sick pay, where any of these payments are applicable to the fund. Include any salary and wages paid to an associated person of the fund.

However, these expenses exclude pension payments, agency fees, contract payments, sub-contract payments, service fees, superannuation benefits, reimbursements or allowances for travel, wages or salaries reimbursed under a government program, management fees and consultant fees.

The fund can't deduct salary and wage expenses where the fund has not complied with the pay as you go withholding obligations. See, [Removing tax deductibility of non-compliant payments](#).

D Capital works deductions

Write at label **D** the deduction claimed for capital expenditure on buildings and structural improvements used to produce assessable income (such as bridges, pipelines, retaining walls and sealed roads), which includes eligible capital expenditure on extensions, alterations or improvements, and shop fitouts.

Don't include capital expenditure on property for which a deduction is allowable, or would be allowable if the property were to be used for the purpose of producing assessable income, under another specified provision of the Income Tax Assessment Act 1936 (ITAA 1936) or the Income Tax Assessment Act 1997 (ITAA 1997). For example, don't include capital expenditure on mining infrastructure buildings and timber milling buildings).

For more information, see [Appendix 1: Capital works deductions](#).

E Deduction for decline in value of depreciating assets

Write at label **E** the deduction for decline in value of depreciating assets for tax purposes.

The decline in value of a depreciating asset is generally worked out using either the prime cost or diminishing value method. Both methods are based on the effective life of an asset. For most depreciating assets, the fund can choose whether to self-assess the effective life or to adopt the Commissioner's determination.

For more information, see:

- [Effective life of an asset](#)
- [Effective Life 2015/1](#) *Income Tax (Effective Life of Depreciating Assets) Determination 2015 - Compilation No. 8*
- Taxation Ruling [TR 2022/1](#) *Income tax: effective life of depreciating assets (applicable from 1 July 2022)*.

The fund can deduct an amount equal to the decline in value for an income year of a depreciating asset that it held for any time during that income year. However, the deduction is reduced to the extent that the fund uses it or has it installed ready for use for other than a taxable purpose.

The decline in value of a depreciating asset costing \$300 or less is its cost (but only to the extent the asset is used for a taxable purpose) if the asset satisfies all of the following requirements:

- it is used predominantly for the purpose of producing assessable income that is not income from carrying on a business
- it is not part of a set of assets acquired in the same income year that together cost more than \$300
- it is not one of any number of substantially identical items acquired in the same income year that together cost more than \$300.

The decline in value of certain assets with a cost or opening adjustable value of less than \$1,000 can be calculated through a low-value pool. Assets eligible for an immediate deduction can't be allocated to a low-value pool.

Deductible balancing adjustment amounts are included at label **L Other deductions**.

You must comply with the record-keeping requirements that apply to all depreciating assets. See [Record keeping for capital expenses](#).

For an explanation of the concepts and terms mentioned above, and for more information on deductions for decline in value, see the [Guide to depreciating assets 2024](#).

You can work out your capital allowance deductions by using the [Depreciation and capital allowances tool](#).

F Death or disability premiums

Write at label **F** deductions for insurance premiums paid by a complying superannuation fund to provide benefits upon the death, existence of a terminal medical condition or temporary or permanent disability of the member (as described in section 295-460 of the ITAA 1997).

A fund may use a variety of life insurance policies to provide these benefits.

Calculating the deduction

The fund can deduct the following:

- 30% of the premium for a whole-of-life policy if all the individuals whose lives are insured are members of the fund; for more information on what a 'whole-of-life policy' is for these purposes see section 295-480 of the ITAA 1997 and [ATO ID 2009/100](#)
Complying superannuation fund: deductibility of premiums on 'whole-of-life policy' – subsection 295-465(1) of the ITAA 1997
- 10% of the premium for an endowment policy if all the individuals whose lives are insured are members of the fund; for more information on what an 'endowment policy' is for these purposes, see section 295-480 of the ITAA 1997
- for a policy that is not a whole-of-life or endowment policy
 - 30% of the part of an insurance policy premium that is specified in the policy as being for a distinct part of the policy that would have been a whole-of-life policy if it had been a separate policy, where all the individuals whose lives are insured are members of the fund
 - 10% of the part of an insurance policy premium that is specified in the policy as being for a distinct part of the policy that would have been an endowment policy if it had been a separate policy, where all the individuals whose lives are insured are members of the fund
- the part of a premium that is specified in an insurance policy as being wholly for the liability to provide certain death, terminal medical condition or disability benefits for fund members
- the proportion of the premium that is specified in [Table 4](#) as being attributable to the liability to provide death or disability benefits for fund members.

Table 4: Proportions of insurance premiums that are deductible under item 6 of the table in subsection 295-465(1) of the ITAA 1997, as specified in section 295-

**465.01 of the Income Tax Assessment (1997 Act)
Regulations 2021**

For an insurance policy that provides...	Percent the fund can deduct... (%)
Total and Permanent Disability (TPD) any occupation cover	100
TPD any occupation cover with one or more of the following inclusions: • activities of daily living • cognitive loss • loss of limb • domestic (home) duties.	100
TPD own occupation cover	67
TPD own occupation cover with one or more of the following inclusions: • activities of daily living • cognitive loss • loss of limb • domestic (home) duties.	67
TPD own occupation cover bundled with death (life) cover	80
TPD own occupation cover bundled with death (life) cover with one or more of the following inclusions: • activities of daily living • cognitive loss • loss of limb • domestic (home) duties.	80

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TPD any occupation means insurance against the member suffering an illness or injury that is likely to result in the member's permanent inability to work in any job for which the member is reasonably qualified by education, training or experience.

TPD own occupation means insurance against the member suffering an illness or injury that is likely to result in the member's permanent inability to work in the member's own occupation (other than in a substantially reduced capacity).

An actuarial certificate is not required to be obtained in order to deduct the premium, or a proportion of the premium, as specified in [Table 4](#).

The fund may deduct a proportion other than that specified in the *Income Tax Assessment (1997 Act) Regulations 2021*, as contained in [Table 4](#) for the premium, but to do so must obtain an actuary's certificate before the date for lodgment of the fund's tax return.

For any other insurance policy premium that is not deductible in accordance with the above circumstances, an actuarial certificate is also required to deduct all or a proportion of the premium for a policy that is to provide benefits upon the death, existence of a terminal medical condition or disability of the member.

For more information, see Taxation Ruling [TR 2012/6](#) *Income tax: deductibility under subsection 295-465(1) of the Income Tax Assessment Act 1997 of premiums paid by a complying superannuation fund for an insurance policy providing Total and Permanent Disability cover in respect of its members*.

A complying superannuation fund may also deduct premiums on insurance policies to replace income during periods of temporary disability.

If a fund has current or contingent liabilities to provide superannuation benefits upon the death, existence of a terminal medical condition or temporary or permanent disability of a member but does not have insurance coverage (that is, it self-insures), then a deduction is allowable. The deduction is allowable for an amount equal to what the fund could reasonably expect to pay in an arm's length transaction to obtain an insurance policy to cover these liabilities. An actuarial certificate must be obtained before the date for lodgment of the fund's

tax return for the amount to be deductible. However, there are regulatory changes to self-insurance for regulated superannuation funds that only allow self-insurance in limited circumstances.

If an actuary certifies the amount a fund could reasonably expect to pay in an arm's length transaction to obtain an insurance policy, and that policy covers liabilities of the fund that are broader than those covered in section 295-460 of the ITAA 1997, and the insurance policy is specified in the regulations, then the fund may deduct so much of that certified amount as specified in [Table 4](#).

Rather than claiming a deduction for insurance premiums paid or an amount under the self-insurance provisions, a complying superannuation fund may choose to deduct (under section 295-470 of the ITAA 1997) an amount based on a formula for payments for the income year for death, terminal medical condition or disability benefits. Deductions for this amount should be included at label **F**.

I Investment expenses

Write at label **I** the amount of deductible expenses of a revenue nature incurred in deriving investment income, unless the deduction is more appropriately shown at another label. Don't include any amount that you show at labels **J Management expenses** or **Q Administration expenses**.

Complying superannuation funds and complying approved deposit funds (ADFs) may claim deductions for expenses incurred in relation to acquiring, holding or disposing of:

- units in a pooled superannuation trust (PST)
- life insurance policies issued by life insurance companies
- interests in trusts whose assets consist wholly of such life insurance policies.

The fund can claim the expenditure as a deduction if the expenditure would qualify for deduction under the provisions of the ITAA 1936 or the ITAA 1997 if any profits, gains or bonuses received from the investments listed above that are not assessable income were instead included in assessable income.

The fund can't deduct amounts for investment charges that the PST or life insurance company deducts from gross contributions transferred

to it from the fund. In this case, the charges are of a capital nature as they reduce the amount of the investment, and are therefore not deductible.

Complying superannuation funds can't deduct amounts for fees or charges incurred for 'complying superannuation life insurance policies', exempt life insurance policies, or units in a PST that are segregated current pension assets of the fund, other than amounts claimed at label **F Death or disability premiums**.

For information on general principles governing the tax deductibility of expenditure incurred by superannuation funds, see Taxation Ruling [TR 93/17](#) *Income tax: income tax deductions available to superannuation funds*.

J Management expenses

Write at label **J** the amount of deductible expenses of a revenue nature incurred in the management of the fund, unless the deduction is more appropriately shown at another label. Don't include investment management expenses. These expenses should be shown at label **I Investment expenses**.

Management expenses are fees incurred by the superannuation entity for management services provided by a third party to the superannuation entity. Such expenses may be met by the fund through management fees deducted from member accounts that are based on a percentage of the funds under management.

Management expenses also include consulting fees.

Q Administration expenses

Write at label **Q** the amount of deductible expenses of a revenue nature incurred in the administration of the fund, unless the deduction is more appropriately shown at another label.

Administration expenses are fees incurred in the administration of the superannuation entity. These fees include both internal and outsourced administration costs, unless these are incurred directly by the employer sponsor.

They include administration fees charged by, or paid to, the employer sponsor for services rendered to the superannuation entity, and

expenses incurred to administer switches of members' investment choices. They don't include investment manager fees or other investment expenses that should be shown at label **I Investment expenses**.

U Forestry managed investment scheme deduction

Write at label **U** the total amount of deductible payments made under an FMIS.

The fund may be entitled to claim a deduction at label **U** for payments made under an FMIS if:

- the fund currently holds a forestry interest in an FMIS, or held a forestry interest in an FMIS during 2023–24
- the fund paid an amount to a forestry manager of an FMIS under a formal agreement
- the forestry manager has advised the fund that the FMIS satisfies the 70% direct forestry expenditure rule in Division 394 of the ITAA 1997
- the fund did not have day to day control over the operation of the scheme
- there was more than one participant in the scheme or, the forestry manager or an associate of the forestry manager manages, arranges, or promotes similar schemes, and
- all the trees were established within 18 months of the end of the income year in which an amount is first paid under the FMIS by a participant in the scheme.

If the fund is an **initial participant** in an FMIS it can claim a deduction for initial and ongoing payments at this item. The fund can't claim a deduction if a CGT event happens in relation to its forestry interest in an FMIS within 4 years after the end of the income year in which it first made a payment under the FMIS. However, the deduction will not be denied for that reason if the CGT event happens because of circumstances outside of the fund's control, provided the fund could not have reasonably foreseen the CGT event happening when it acquired the interest. CGT events happening that would generally be outside the fund's control may include compulsory acquisition,

insolvency of the fund or the scheme manager, or cancellation of the interest due to fire, flood or drought.

If the fund is a **subsequent participant**, it can't claim a deduction for the amount paid to acquire the interest. The fund can only claim a deduction for ongoing payments.

The deduction is claimed in the income year in which the payment is made.

Relevant terms are explained at item **10** – label [X Forestry managed investment scheme income](#).

Excluded payments

The fund can't claim a deduction at label **U** for any of the following:

- payments for borrowing money
- payments of interest and payments in the nature of interest (such as a premium on repayment or redemption of a security, or a discount of a bill or bond)
- payments of stamp duty
- payments of GST
- payments that relate to the transportation and handling of felled trees after the earliest of the following
 - sale of the trees
 - arrival of the trees at the mill door
 - arrival of the trees at the port
 - arrival of the trees at the place of processing (other than where processing happens in-field)
- payments that relate to processing
- payments that relate to stockpiling (other than in-field stockpiling)
- payments that relate to marketing and sale of forestry produce.

While the payments are not deductible under Division 394 of the ITAA 1997, the payments may be deductible under other provisions of the ITAA 1997 or ITAA 1936 and claimable at other labels.

R Foreign exchange losses

Write at label **R** deductible foreign exchange losses (from both foreign and domestic sources) made by the fund, see [Foreign exchange \(forex\) gains and losses](#).

If the TOFA rules apply to the fund, include all deductible foreign exchange losses from financial arrangements subject to the TOFA rules at label **R**.

L Other deductions

Write at label **L** the total amount of all other deductions that don't fall into any of the other categories shown in **Section C: Deductions**. For small APRA funds, this may include the actual amount of general expense incurred which gave rise to the 'Twice the difference approach' where it does not appropriately fall within any other label in **Section C – Deductions**, to the extent that it is deductible.

Deductions that are specifically allowable for superannuation activities include amounts in the following 9 categories:

- [Exclusion of personal contributions](#)
- [Taxation of financial arrangements](#)
- [Contribution that is a fringe benefit](#)
- [Return of contributions by non-complying funds](#)
- [Deductible balancing adjustment amounts](#)
- [Environmental protection activities \(EPA\) expenditure](#)
- [Deduction relating to listed investment company \(LIC\) capital gain amount](#)
- [Deduction relating to foreign non-assessable non-exempt income](#)
- [Superannuation \(Financial Assistance Funding\) Levy Act 1993](#).

Exclusion of personal contributions

A complying superannuation fund (including a successor fund) can deduct an amount for personal contributions of a member to the extent the personal contributions have been included in the fund's assessable income in an earlier income year and the member has

reduced the amount the member deducted by a notice (the variation notice) under section 290-180 of the ITAA 1997 if both:

- that variation notice was received by the fund after it had lodged its income tax return for the income year that included the contribution as assessable income
- the fund has not exercised its option (under subsection 295-195(3) or 295-197(4) of the ITAA 1997) to amend the return for the income year that included the contribution as assessable income.

If the notice was received after the fund had lodged its tax return for the income year in which the contributions were made, the fund may choose to amend the assessment of the earlier income year in which the contribution was made to exclude the amount from its assessable income. This choice may be made if it would result in a reduction in the fund's tax liability for the earlier income year that is greater than the reduction that would occur in the fund's tax liability for the income year (subsections 295-195(2) and (3) and 295-490(1) Item 2 of the ITAA 1997).

A successor fund is also entitled to a deduction to the extent the contributor's personal contributions have been reduced by a notice given to the successor fund under section 290-180 of the ITAA 1997 and the original fund has included the contribution amount in its assessable income (subsections 295-197(3) and (4) and 295-490(1) Item 2A of the ITAA 1997).

Taxation of financial arrangements

If the TOFA rules apply to calculate an assessable gain or deductible loss on the fund's financial arrangements include at label **L** any deductible losses relating to the financial arrangements.

TOFA amounts that have been included elsewhere should not be included here. For example, amounts that have already been included at:

- **Section C: Deductions – label A Interest expenses within Australia**
- **Section C: Deductions – label B Interest expenses overseas**
- **Section C: Deductions – label R Foreign exchange losses**
- **Section B: Income – label D Net foreign income.**

If what you show at label **L** or elsewhere in **Section C: Deductions** includes an amount brought to account under the TOFA rules, also complete [item 16 Taxation of financial arrangements \(TOFA\)](#).

For more information, see the [Guide to the taxation of financial arrangements \(TOFA\)](#).

Contribution that is a fringe benefit

A superannuation entity can claim a deduction for an amount included in its assessable income as an assessable contribution that is a fringe benefit because it will be taxed as a fringe benefit in the hands of the contributor. The amount can be deducted in the income year in which the contribution is included in assessable income.

A contribution made for an employee to a complying superannuation fund is not a fringe benefit.

Return of contributions by non-complying funds

A superannuation fund that has been non-complying since 1 July 1988, or since it was established if this is later, can deduct an amount which it pays to an entity (the receiving entity), so far as the amount reasonably represents the direct or indirect return of either:

- a contribution for which the receiving entity or another entity has deducted or can deduct an amount
- earnings on such a contribution.

The receiving entity includes the amount in its assessable income under section 290-100 of the ITAA 1997.

The amount can be deducted by the superannuation fund in the income year in which it is included in the receiving entity's assessable income.

Deductible balancing adjustment amounts

If the fund ceases to hold or to use a depreciating asset, it will need to calculate a balancing adjustment amount to include in its assessable income or to claim as a deduction.

For more information, see the [Guide to depreciating assets 2024](#).

Environmental protection activities (EPA) expenditure

A deduction is allowed (under section 40-755 of the ITAA 1997) for certain capital expenditure incurred for the sole or dominant purpose of either:

- preventing, fighting or remedying pollution of the environment resulting from an earning activity, or the site of an earning activity
- treating, cleaning up, removing or storing waste resulting from an earning activity, or the site of an earning activity.

Expenditure that forms part of the cost of a depreciating asset is not deductible as expenditure on EPA if a deduction is available for the decline in value of the asset.

For more information, see the [Guide to depreciating assets 2024](#).

Deduction relating to listed investment company (LIC) capital gain amount

A LIC can pay a dividend to a superannuation entity that includes a LIC capital gain amount which is shown in the LIC's dividend statement.

The complying superannuation entity can claim a deduction of one-third of that LIC capital gain amount.

An Australian resident non-complying superannuation fund that is a trust can claim a deduction of one-half of that LIC capital gain amount.

Deduction relating to foreign non-assessable non-exempt income

Certain expenses relating to foreign non-assessable non-exempt income are allowable deductions against the fund's assessable income if the expenses incurred are a cost in relation to certain debt interests (see section 25-90 of the ITAA 1997, or subsection 230-15(3) of the ITAA 1997 for a debt interest that is a financial arrangement covered by the TOFA rules). For superannuation funds, the relevant non-assessable, non-exempt income is foreign source income that is covered by section 23AI or 23AK of the ITAA 1936.

These deductions should not be applied against item **10 Income** – label **D1 Gross foreign income** for the purpose of calculating label **D Net foreign income** or a foreign loss.

Superannuation (Financial Assistance Funding) Levy Act 1993

Levies imposed by regulations under section 6 of the *Superannuation (Financial Assistance Funding) Levy Act 1993* can be deducted by regulated superannuation funds and ADFs in the income year in which the levy is incurred.

Print in the **Code** box the code from [Table 5](#) that best describes the largest amount included at label **L Other deductions**.

You can't claim a deduction against the assessable income of the fund for superannuation benefits paid.

There is no provision for funds to transfer or pass on deductions to other entities (for example, life insurance companies or PSTs).

Table 5: Other deduction codes

Code	Other deductions in respect of:
C	Exclusion of personal contributions
T	Deductible TOFA losses
B	Contribution that is a fringe benefit
R	Return of contributions by non-complying funds
A	Deductible balancing adjustment amounts
E	Environmental protection activities (EPA) expenditure
I	Deduction relating to LIC capital gain amount
N	Deduction relating to foreign non-assessable non-exempt income
S	<i>Superannuation (Financial Assistance Funding) Levy Act 1993</i>
O	Other deductions not listed above

M Tax losses deducted

Write at label **M** the tax losses (from an earlier income year) that the fund is claiming. The fund can claim tax losses only to the extent that its total assessable income exceeds total deductions (other than tax losses).

The fund's tax losses brought forward must first be deducted from the amount of the fund's net exempt income (section 36-15 of the ITAA 1997). The fund's **net exempt income** for an Australian resident is the fund's gross exempt income less the expenses (other than capital expenses) incurred in deriving that income and any taxes payable outside Australia on that exempt income. [Example 4c](#) shows the effect of exempt current pension income on tax losses.

Tax losses are not the same as 'capital losses' which may result from a capital gains tax event. Don't show net capital losses at label **M**. See, [item 13 – label V Net capital losses carried forward to later income years](#).

The trust loss legislation in Schedule 2F to the ITAA 1936 affects the deductibility of prior income year losses by all trusts that are not excepted trusts (as defined in section 272-100 of Schedule 2F to the ITAA 1936), such as non-complying superannuation funds.

The fund may need to complete and attach a *Losses schedule 2024* to its tax return; see:

- [Schedules for funds](#)
- [Losses schedule instructions 2024](#).

N Total deductions

Write at label **N** the total of all deductions from labels **A** to **M** (which includes labels **Q**, **U** and **R**). This amount takes into account concessions and adjustments allowable for income tax purposes.

O Taxable income or loss

Write at label **O** the taxable income or loss by subtracting item **10 Income** – label **N Total deductions** from **V Total assessable income**. If the amount calculated is an overall loss for the income year, print **L** in

the **Loss** box at the right of the amount. This label is mandatory. You must include an amount at this label even if it is zero (if zero, write **0**).

Continue to: [Section D: Income tax calculation statement](#)

Return to: [Instructions to complete the fund income tax return 2024](#)

QC 101694

Section D: Income tax calculation statement

Deals with the income tax calculation statement. The statement works out the tax liability if there is taxable income.

Last updated 2 July 2024

How we use the calculation statement

We use the information which you provide in this section to calculate the Commissioner's instalment rate under the pay as you go (PAYG) instalments system. You must complete all applicable items as accurately as possible to ensure that the rate calculated results in a reliable estimate of tax payable for 2023–24.

To work through the **Calculation statement** in the tax return, begin with the right-hand column. Four of the labels in the right-hand column require certain labels in the left-hand column to be completed so that the total can be inserted at the appropriate label. The right-hand column labels are:

- **C Non-refundable non-carry forward tax offsets**
- **D Non-refundable carry forward tax offsets**
- **E Refundable tax offsets**
- **H Eligible credits.**

In this section, the following labels are mandatory to complete:

- **A Taxable income**

- **T1 Tax on taxable income**
- **J Tax on no-TFN-quoted contributions**
- **T5 Tax Payable**
- **I Tax offset refunds.**

Calculating your T5 Tax payable and S Amount due or refundable

The steps below are provided to give a basic overview of how the calculation statement is intended to work. Refer to each specific item for a detailed explanation of its application within the calculation statement.

Follow the steps for a basic overview of the calculation statement:

- [Step 1: Write the following amounts](#)
- [Step 2: Work out the following amounts](#)
- [Step 3: Work out the amount at T2 Subtotal 1](#)
- [Step 4: Work out the amount at T3 Subtotal 2](#)
- [Step 5: Work out the amount at T5](#)
- [Step 6: Work out the amount at label H](#)
- [Step 7: Work out the amount at label S.](#)

Step 1: Write the following amounts

- If the amount at item **11 Deductions** – label **O Taxable income or loss** is positive, write the amount at item **12** – label **A Taxable income**; write **0** (zero) at label **A** if label **O** is a loss.
- Label **T1 Tax on taxable income** (dependent on the compliance status of the fund, see the section below for a detailed explanation of **T1**) is calculated as follows
 - 15% of label **A** if the fund is a regulated superannuation fund and you have not received a notice of non-compliance from APRA
 - 45% of label **A** if the fund is a non-complying fund

- different tax rates apply to some types of income; you must include at label **T1** the tax calculated at the correct rate for amounts shown at
 - item **10** – label **U Net non-arm's-length income**
 - item **10** – label **T Assessable income due to changed tax status of fund.**
- Label **J Tax on no-TFN-quoted contributions** (additional tax on these contributions) is calculated on the amount shown at item **10** – label **R3 No-TFN-quoted contributions** as follows
 - 32% for a complying fund
 - 2% for a non-complying fund.
- Write the amounts from your records for labels
 - **C1 Foreign income tax offset**
 - **D1 Early stage venture capital limited partnership tax offset**
 - **D2 Early stage venture capital limited partnership tax offset carried forward from previous year**
 - **D3 Early stage investor tax offset**
 - **D4 Early stage investor tax offset carried forward from previous year**
 - **E1 Complying fund's franking credits tax offset**
 - **E2 No-TFN tax offset**
 - **E3 National rental affordability scheme tax offset**
 - **E4 Exploration credit tax offset**
 - **G Section 102AAM interest charge**
 - **H2 Credit for tax withheld – foreign resident withholding (excluding capital gains)**
 - **H3 Credit for tax withheld – where ABN or TFN not quoted (non-individual)**
 - **H5 Credit for TFN amounts withheld from payments from closely held trusts**
 - **H6 Credit for interest on no-TFN tax offset**

- **H8 Credit for foreign resident capital gains withholding amounts**
- **K PAYG instalments raised.**
- Follow the fund instructions to calculate label **C2 Rebates and tax offsets** amount (refer to the label [C2 Rebates and tax offsets](#)).

Step 2: Work out the following amounts

- Add labels **T1** and **J**, write the result at label **B**.
- Add labels **C1** and **C2**, write the result at label **C**.
- Add labels **D1**, **D2**, **D3** and **D4**, write the result at label **D**.
- Add labels **E1**, **E2**, **E3** and **E4**, write the result at label **E**.

Step 3: Work out the amount at T2 Subtotal 1

Refer to the section for **T2** for examples and more information

- If the amount at label **C** is less than the amount at label **B Gross tax**
 - subtract label **C** from label **B**
 - write the result at label **T2**
 - go to step 4.
- If the amount at label **C** is more than or equal to the amount at label **B**
 - write **0** (zero) at labels **T2**, **T3** and **T5 Tax payable**
 - copy the amount at labels **E** to **I Tax offset refunds (Remainder of refundable tax offsets)**
 - go to step 6.

Step 4: Work out the amount at T3 Subtotal 2

Refer to the section for **T3** for examples and more information.

- If the amount at label **D** is less than the amount at label **T2 Subtotal 1**
 - subtract label **D** from label **T2**

- write the result at label **T3**
- go to step 5.
- If the amount at label **D** is more than or equal to the amount at label **T2**
 - write zero at labels **T3** and **T5 Tax payable**
 - copy the amount at labels **E** to **I Tax offset refunds (Remainder of refundable tax offsets)**
 - keep a record of any excess offsets that can be carried forward to reduce income tax payable in a future year
 - go to step 6.

Step 5: Work out the amount at T5

Refer to the section for **T5** for examples and more information.

If the amount at label **E** is less than the amount at label **T3**:

- subtract label **E** from label **T3**
- write the result at label **T5**
- go to step 6.

If the amount at **E** is more than or equal to the amount at label **T3**:

- subtract label **T3** from label **E**
- write the result at label **I**
- write zero at label **T5**
- go to step 6.

Step 6: Work out the amount at label H

To work out the amount at label **H Eligible credits**, add labels **H2** to **H8**.

Step 7: Work out the amount at label S

For the amount at label **S**, add labels **T5** and **G**, and then subtract labels **H**, **I** and **K**:

- if the amount at label **S** is positive, that amount is payable by the fund
- if the amount at label **S** is negative, that amount is refundable to the fund.

12 Income tax calculation statement

Complete at item **12**:

- [A Taxable income](#)
- [T1 Tax on taxable income](#)
- [J Tax on no-TFN-quoted contributions](#)
- [B Gross tax](#)
- [Priority of use of the tax offsets](#)
- [C Non-refundable non-carry forward tax offsets](#)
- [C1 Foreign income tax offset](#)
- [C2 Rebates and tax offsets](#)
- [T2 Subtotal 1](#)
- [D Non-refundable carry forward tax offsets](#)
- [D1, D2 Early stage venture capital limited partnership \(ESCLVP\) tax offset](#)
- [D3, D4 Early stage investor tax offset](#)
- [T3 Subtotal 2](#)
- [E Refundable tax offsets](#)
- [E1 Complying fund's franking credits tax offset](#)
- [E2 No-TFN tax offset](#)
- [E3 National rental affordability scheme \(NRAS\) tax offset](#)
- [E4 Exploration credits tax offset](#)
- [T5 Tax payable](#)
- [G Section 102AAM interest charge](#)

- [H Eligible credits](#)
- [H2 Credit for tax withheld – foreign resident withholding \(excluding capital gains\)](#)
- [H3 Credit for tax withheld – where ABN or TFN not quoted \(non-individual\)](#)
- [H5 Credit for TFN amounts withheld from payments from closely held trusts](#)
- [H6 Credit for interest on no-TFN tax offset](#)
- [H8 Credit for foreign resident capital gains withholding amounts](#)
- [I Tax offset refunds \(Remainder of refundable tax offsets\)](#)
- [K PAYG instalments raised](#)
- [S Amount due or refundable](#)

A Taxable income

Write at label **A** the fund's taxable income.

Label **A** is mandatory. You must include an amount at label **A** even if it is zero (write **0**).

This amount is the amount shown at item **11 Deductions** – label **O Taxable income or loss** when the **Loss** code box is blank.

T1 Tax on taxable income

Write at label **T1** the amount of tax payable before the allowance of any rebates, tax offsets, and credits. Label **T1** reflects the amount at label **A** (or components of it) multiplied by the applicable tax rate or tax rates. The tax rates potentially applicable are listed in [Appendix 3: Rates of tax](#).

Label **T1** is mandatory. You must include an amount at label **T1** even if it is zero (write **0**).

The compliance status of the fund affects the tax rates that apply. If the fund is a regulated superannuation fund, approved deposit fund (ADF) or pooled superannuation trust (PST) and has not received a Notice of non-compliance from APRA, the fund is a complying fund and the standard tax rate is 15%. If the fund is a non-complying fund the standard tax rate is 45%.

Different tax rates apply to the following types of income and you must ensure that you apply the correct tax rate to amounts shown at item **10 Income**.

For all superannuation funds, at label **T Assessable income due to changed tax status of fund** the tax rate may be either 15% or 45% depending on the circumstances.

For complying small APRA funds, you must include at label **T1** the tax calculated as:

- 45% of the non-arm's length component calculated as the lesser of (the 'Lesser of' calculation):
 - **U Net non-arm's-length income** (in **Section B**, item **10**), *plus* the total non-arm's length income that arises due to non-arm's length general expenses (if any)
 - **where**, for each general expense, the amount of the non-arm's length income is calculated as
 - the difference between the amount of loss, outgoing or expense (revenue or capital in nature) expected to be incurred if the parties had been dealing at arm's length and the amount of loss, outgoing or expense (revenue or capital in nature) actually incurred (nil if no loss, outgoing or expense was incurred), with the result multiplied by 2 (the 'Twice the difference approach' amount)
Note: don't reduce this amount by any deduction, including the amount of general expense actually incurred.
 - and the total taxable income for the year written at label **O** in **Section C** *less* any assessable contributions you have written at label **R** in **Section B** *plus* any deductions to the extent they are attributable to those contributions
- and 15% of the low-tax component (**A** in **Section D** *less* the result of the 'Lesser of' calculation above).

For complying large APRA funds, complying exempt public sector superannuation funds, complying ADFs and PSTs, you must include at label **T1** the tax calculated as:

- 45% of the non-arm's length component calculated as the non-arm's length income for the income year *less* any deductions to the extent that they are attributable to that income. The non-arm's

length component amount is the amount you have shown at label **U Net non-arm's length income**, and

- 15% of the low-tax component (**A** in **Section D** less the non-arm's length component).

If you have shown an amount (other than zero) at label **R3 No-TFN-quoted contributions** then this amount has been included in the amount at label **A Taxable income** and is therefore included in the calculation of the amount at label **T1** calculated at the standard rate of tax applicable to the fund (that is, 15% for a complying fund or 45% for a non-complying fund) to the amount at label **A**. Write at label **J** the additional tax calculated (that is, at the rate of 32% for a complying fund or 2% for a non-complying fund) on the label **R3** amount.

To help you calculate the tax on taxable income amount, use:

- [Example 5](#)
- [Example 6](#)
- [Example 7](#).

J Tax on no-TFN-quoted contributions

Write at label **J** the amount of additional tax payable on no-TFN-quoted contributions shown at label **R3 No-TFN-quoted contributions** (32% for complying superannuation funds and 2% for non-complying superannuation funds of the label **R3** amount). If the amount shown at label **R3** is zero, then the amount you show at label **J** is zero.

Label **J** is mandatory. You must include an amount at label **J** even if it is zero (write **0**).

You must include at label **T1 Tax on taxable income** the tax calculated at the standard rate on no-TFN-quoted contributions included in taxable income. That is, 15% for a complying fund or 45% for a non-complying fund of the label **R3** amount.

To help you calculate tax on no-TFN-quoted contributions, use [Example 4](#).

For more information on the applicable tax rates, see [Appendix 3: Rates of tax](#).

B Gross tax

Write at label **B** the total of the amounts at labels **T1** and **J**.

To help you calculate the gross tax amount, use [Example 4](#) and [Example 5](#).

Example 4 relates to **Income tax calculation – Superannuation fund showing income at item 10 – label R3 No-TFN-quoted contributions**, and is made up of 3 parts:

- [Example 4a: complying superannuation fund](#)
- [Example 4b: non-complying superannuation fund](#)
- [Example 4c: nil taxable income or loss](#).

Example 4a: complying superannuation fund

The Natalie Superannuation Fund is a complying fund. However, it has income that must be taxed at more than 15%.

The fund received \$10,000 in assessable contributions (shown at item **10** –label **R**) all of which are employer contributions. Of that amount, \$8,000 is shown at **R1** item **10** for members who quoted their TFN, but \$2,000 is shown at item **10** – label **R3** for members who have not quoted their TFN and who opened their account either:

- on or after 1 July 2007
- before 1 July 2007 but the assessable contributions made for the member in the income year exceeded \$1,000.

The fund has also incurred \$1,000 in deductible administration expenses (shown at item **11** – label **Q**). The superannuation fund's taxable income is \$9,000 (shown at item **11** – label **O**).

For the purposes of calculating the amount to be shown at labels **J Tax on no-TFN-quoted contributions**, **T1 Tax on taxable income** and **B Gross tax**, work out the amount of tax using the tables as follows.

Tax on no-TFN-quoted contributions + Tax on taxable income = Gross tax

Assessable income

Tax return label	Amount	Rate	Tax
No-TFN-quoted contributions (amount from item 10 – label R3 , tax amount shown at item 12 – label J)	\$2,000	32%	\$640
Assessable employer contributions (from item 10 – label R1)	\$8,000	-	-
Assessable contributions (from item 10 – label R)	\$10,000	-	-
Total assessable income (from item 10 – label V)	\$10,000	-	-

Deductions

Tax return label	Amount	Rate	Tax
Administration expenses (from item 11 – label Q)	\$1,000	-	-
Taxable income (from item 12 – label A , tax amount shown at item 12 – label T1)	\$9,000	15%	\$1,350
Gross tax (shown at item 12 – label B)	-	-	\$1,990

The amount of gross tax (shown at item **12** – label **B**) is the sum of the no-TFN-quoted contributions tax (shown at item **12** – label **J**) and the tax (shown at item **12** – label **T1**) worked out on the taxable income shown at item **12** – label **A**.

For more information on the applicable tax rates, see [Appendix 3](#).

Example 4b: non-complying superannuation fund

If the Natalie Superannuation Fund is a non-complying fund, most of its income is taxed at the rate of 45%, but a tax rate of 47% applies to any no-TFN-quoted contributions.

You would calculate labels **J Tax on no-TFN-quoted contributions**, **T1 Tax on taxable income**, and label **B Gross tax** using the tables as follows.

$$\text{Tax on no-TFN-quoted contributions} + \text{Tax on taxable income} = \text{Gross tax}$$

Assessable income

Tax return label	Amount	Rate	Tax
No-TFN-quoted contributions (amount from item 10 – label R3 , tax amount shown at item 12 – label J)	\$2,000	2%	\$40
Assessable employer contributions (from item 10 – label R1)	\$8,000	-	-
Assessable contributions (from item 10 – label R)	\$10,000	-	-
Total assessable income (from item 10 – label V)	\$10,000	-	-

Deductions

Tax return label	Amount	Rate	Tax
Administration expenses (from item 11 – label Q)	\$1,000	-	-
Taxable income (from item 12 – label A ,	\$9,000	45%	\$4,050

tax amount shown at item 12 – label T1)			
Gross tax (shown at item 12 – label B)	-	-	\$4,090

The amount of gross tax (shown at item **12** – label **B**) is the sum of the no-TFN-quoted contributions tax (shown at item **12** – label **J**) and the tax (shown at item **12** – label **T1** item **12**) worked out on the taxable income shown at item **12** – label **A**.

For more information on the applicable tax rates, see [Appendix 3](#).

Example 4c: nil taxable income or loss

The Natalie Superannuation Fund is a complying fund. However, it has income which must be taxed at more than 15%.

The fund received \$2,000 in assessable contributions, all of which are employer contributions for members who have not quoted their TFN and whose account was opened either:

- on or after 1 July 2007
- before 1 July 2007 but the assessable contributions made for the member in the income year exceeded \$1,000.

Show the \$2,000 at item **10** – label **R3** and also at item **10** – label **R**.

The fund has also incurred \$3,000 in deductible administration expenses (shown at item **11** – label **Q**). The fund's taxable income is \$1,000 loss (shown at item **11** – label **O**). The taxable income shown at item **12** – label **A** is \$0.

You would calculate label **B Gross tax** using the tables as follows.

Tax on no-TFN-quoted contributions + Tax on taxable income = Gross tax

Assessable income

Tax return label	Amount	Rate	Tax
------------------	--------	------	-----

No-TFN-quoted contributions (amount from item 10 – label R3 , tax amount shown at item 12 – label J)	\$2,000	32%	\$640
Assessable contributions (from item 10 – label R)	\$2,000	-	-
Total assessable income (from item 10 – label V)	\$2,000	-	-

Deductions

Tax return label	Amount	Rate	Tax
Administration expenses (from item 11 – label Q)	\$3,000	-	-
Taxable income (from item 12 – label A , tax amount shown at item 12 – label T1)	\$0	15%	\$0
Gross tax (shown at item 12 – label B)	-	-	\$640

Gross tax of \$640 is payable even though the fund made a loss for the income year.

For more information on the applicable tax rates, see [Appendix 3](#).

Example 5: superannuation fund showing income at U Net non-arm's length income item 10

Complying superannuation fund

The Elizabeth Superannuation Fund is a complying fund – an APRA fund with over 6 members.

However, it has income that must be taxed at more than 15%.

The fund received \$10,000 of assessable contributions (shown at item **10** – label **R**) and \$4,000 of unfranked dividends from 2 different private companies. All private company dividends are generally treated as non-arm's length income unless that income is consistent with an **arm's length dealing**. See [U Net non-arm's length income](#). Of the \$4,000 private company dividends, the \$2,000 received from one company is treated as non-arm's length income. The net non-arm's length income is taxed at 45%.

Deductible arm's length expenses attributable to non-arm's-length income are \$100. These expenses can be deducted from the non-arm's length income. All non-arm's-length income is shown in the tax return as a net amount of income. An amount of \$1,900 is shown at item **10** – label **U**.

The amount of taxable income remaining after taking into account the non-arm's length income is referred to as the **low tax component**.

The fund has also incurred \$2,500 in deductible administration expenses (shown at item **11** – label **Q**) that are not considered to be attributable to the earning of the non-arm's length income.

The fund's taxable income is \$11,400 (shown at item **12** – label **A**).

You would calculate label **B Gross tax** using the tables as follows.

$$\text{Tax on non-arm's length component} + \text{Tax on low tax component} = \text{Gross tax}$$

Assessable income

Tax return label	Amount	Rate	Tax
Assessable contributions (from item 10 – label R) plus	\$10,000	-	-
Private company dividends (arm's length income) (from item 10 – label J) plus	\$2,000	-	-

Net private company dividends (non-arm's-length income) (from item 10 – label U)	\$1,900	-	-
Total assessable income (from item 10 – label V)	\$13,900	-	-

Deductions

Tax return label	Amount	Rate	Tax
Administration expenses (from item 11 – label Q)	\$2,500	-	-
Taxable income (from item 12 – label A)	\$11,400	-	-

Components of taxable income

Income component	Amount	Rate	Tax
Non-arm's-length component	\$1,900	45%	\$855
Low tax component (that is other taxable income)	\$9,500	15%	\$1,425
Tax on taxable income (shown at item 12 – label T1)	-	-	\$2,280

The amount of \$2,280 is shown at item **12** – label **T1** and also at label **B Gross Tax** as in this example, the no-TFN-quoted contributions are nil.

Example 5a: calculating B Gross tax (with non-arm's length income)

SAF BB is a complying small APRA fund with 4 members. It has non-arm's-length income but does not have any no-TFN-quoted contributions.

SAF BB acquires accounting services (with a market value of \$7,000) from Malia, one of the 4 members of SAF BB, for \$4,000. The accounting services were general in nature and didn't relate to any particular asset or assets so are a general expense. The non-arm's length expense provisions apply to this expense.

The total income of SAF BB was \$23,000 in rent from a rental property which is rented to Malia's accounting business. Had the property been rented at arm's length, it might have been expected to receive \$15,000 in rent. The non-arm's length income provisions apply to make the rental income non-arm's length income. Maintenance was carried out on the commercial property at arm's length constituting \$8,000 in eligible deductions.

Further, assessable contributions of \$10,000 were made in that income year to which a \$1,000 deduction applies.

SAF BB calculates their taxable income as \$20,000. Made up of:

- rental income of \$23,000
- *plus* assessable contributions of \$10,000
- *less* deductions for maintenance of \$8,000
- *less* deduction for accounting fees of \$4,000
- *less* deduction for assessable contributions of \$1,000.

They show the total at label **O Taxable income or loss** in **Section C** and also at label **A Taxable income** in **Section D**.

Net non-arm's length income of \$15,000 (rental income of \$23,000 *less* \$8,000 deductions for maintenance) was written at label **U3 Net other non-arm's length income** and is also included at label **U Net non-arm's length income** in **Section B**. The non-arm's length income that has arisen as a result of the accounting expense is not disclosed at the labels **U1**, **U2**, **U3**, or **U**, instead it is taken into account at the calculation for label **T1 Tax on taxable income**.

Note: Due to the rule changes for non-arm's length expenses for superannuation entities under the Treasury Laws Amendment (Support for Small Business Charities, and other Measures) Act 2024, the amount you have written as non-arm's length income at label **U Net non-arm's length income** in **Section B** may not be the amount that is taxed at the highest marginal rate. Instead, the amount calculated under the '**Lesser of' non-arm's length component (NALC) calculation** is taxed at the highest marginal rate.

In this example, the '**lesser of' NALC** is calculated as the lesser of:

- \$21,000 – calculated as
 - label **U** at **Section B**, being the net rental income of \$15,000 (\$23,000 – \$8,000), *plus*
 - Twice the difference amount of \$6,000 $((\$7,000 - \$4,000) \times 2)$ and
- \$11,000 worked out as taxable income of \$20,000, *less* \$10,000 assessable contributions, *plus* \$1,000 deduction against assessable contributions.

Accordingly, the NALC is \$11,000. Arm's length income (low tax component) is \$9,000 worked out as taxable income of \$20,000, *less* the non -arm's length income of \$11,000.

SAF BB's calculation of tax on taxable income to show at T1

Description	Calculation	Tax
Tax on low tax component	15% of \$9,000	\$1,350
Tax on non-arm's length component	45% of \$11,000	\$4,950
T1 Tax on taxable income	\$1,350 + \$4,950	\$6,300

SAF BB doesn't have any no-TFN-quoted contributions, so they write \$0 at label **J Tax on no-TFN-quoted contributions**.

Label **B Gross tax** is the total of label **T1** and **J** (\$6,300 + \$0).

In the Fund income tax return, SAF BB writes the following.

Section D Income tax calculation statement (with non-arm's length income)

Section D: Fields	Amounts
A Taxable income	\$20,000
T1 Tax on taxable income	\$6,300
J Tax on no-TFN-quoted contributions	\$0
B Gross tax	\$6,300

Priority of use of the tax offsets

Funds have access to 3 types of tax offsets:

- non-refundable non-carry forward tax offsets
- non-refundable carry forward tax offsets
- refundable tax offsets.

The first category of tax offsets to be applied against gross tax is label **C Non-refundable non-carry forward tax offsets**. As the name of this category suggests, if the tax offsets are greater than the gross tax, the excess of offsets is lost. If label **B Gross tax** is greater than the offsets at label **C** the remaining tax is shown at label **T2 Subtotal 1**.

The second category of tax offsets is label **D Non-refundable carry forward tax offsets**. These offsets reduce any remaining tax at label **T2**. If the tax offsets are greater than label **T2**, the remaining tax will be reduced to zero and the excess of offsets will be carried forward to a later income year (subject to the tax offset carry forward rules in Division 65 of the Income Tax Assessment Act 1997 (ITAA 1997)). If label **T2** is greater than the offsets at label **D** the remaining tax is shown at label **T3 Subtotal 2**.

The third category of offsets is label **E Refundable tax offsets**. If the fund is entitled to any refundable tax offsets, the offsets reduce any

remaining tax at label **T3**. If the remaining tax is reduced to zero and not all refundable tax offsets have been used up (that is, the label **E Refundable tax offsets** amount exceeds the remaining tax at label **T3**), show the excess of refundable tax offsets at label **I Tax offset refunds (Remainder of refundable tax offsets)**. If refundable tax offsets are less than the remaining tax at label **T3** the shortfall becomes your tax payable amount at label **T5 Tax payable**.

Labels **I** and **T5** are mandatory. You must include an amount at labels **I** and **T5** even if the amount is zero (write **0**).

Any amount at label **G Section 102AAM interest charge** is payable and is added to the label **T5** amount.

Label **K PAYG instalments raised** (rather than just paid) on activity statements and other credits included under label **H Eligible credits**, along with any amount at label **I Tax offset refunds (Remainder of refundable tax offsets)** will be applied against the tax payable amount to determine the amount due to be paid by the fund or refundable to the fund.

C Non-refundable non-carry forward tax offsets

Write at label **C** the total of the amounts at labels **C1** and **C2**.

The rebates and tax offsets shown at label **C** are not refundable nor are they carried forward. They are only offset against gross tax to reduce it to zero. If these tax offsets are greater than the gross tax, the excess tax offsets can't be used and are lost. See, [Example 6a](#) and [Example 6b](#).

C1 Foreign income tax offset

Write at label **C1** the self-determined amount that is the fund's foreign income tax offset.

The fund may be able to claim a foreign income tax offset where it has paid foreign income tax on an amount included in its assessable income. The fund's foreign income tax offset can't exceed the lesser of:

- the foreign income tax paid (or taken to have been paid)
- its foreign income tax offset limit (the greater of \$1,000 and the amount calculated under paragraph 770-75(2)(b) of the ITAA 1997).

To calculate the foreign income tax offset, see the [Guide to foreign income tax offset rules 2024](#) (NAT 72923).

If the fund received franked distributions directly or indirectly from a New Zealand franking company, see [Trans-Tasman imputation](#).

C2 Rebates and tax offsets

Write at label **C2** the total of rebates and tax offsets available.

Don't include the amounts giving rise to the tax rebate and tax offset.

If the fund is a complying superannuation fund, complying ADF or PST, don't include franking credits that relate to either dividends (including non-share dividends) received or assessable dividends from a New Zealand franking company. Include these at label **E1 Complying fund's franking credits tax offset**.

If the fund is a non-complying superannuation fund or a non-complying ADF, the tax offset of franking credits that relate to franked dividends received is not refundable. This includes franked non-share dividends and assessable franked dividends from a New Zealand franking company. Show the amount of the franking credits at label **C2**. Make sure you have included the amount of franking credits as appropriate at item **10** at labels:

- **I Gross distribution from partnerships**
- **L Dividend franking credit**
- **P Trust distributions franking credit**
- **E Australian franking credits from a New Zealand company**
- **U Net non-arm's-length income.**

If the fund is claiming a no-TFN tax offset for tax paid on no-TFN-quoted contributions in one of the most recent 3 income years ending before 2023–24, don't claim the tax offset here. Claim the tax offset at label **E2 No-TFN tax offset**.

T2 Subtotal 1

Write at label **T2** the subtotal of tax payable after label **C Non-refundable non-carry forward tax offsets** has been offset against label **B Gross tax**.

Label **T2** can't be less than zero.

Work out the amount at label **T2** as follows.

- If the amount at label **C** is less than the amount at label **B** (see, [Example 6a](#))
 - subtract label **C** from label **B**
 - write the result at label **T2**.
- If the amount at label **C** is more than or equal to the amount at label **B** (see, [Example 6b](#))
 - write **0** (zero at labels **T2**, **T3** and **T5**)
 - copy the amount at labels **E** to **I Tax offset refunds (remainder of refundable tax offsets)**. Label **I** is mandatory. You must include an amount at label **I** even if it is zero (write **0**).

Example 6 shows how to calculate **T2 Subtotal 1**, and is made up of 2 parts:

- [Example 6a: applying C Non-refundable non-carry forward tax offsets when B Gross tax is greater than offsets – a tax payable position](#)
- [Example 6b: applying C Non-refundable non-carry forward tax offsets when B Gross tax is less than offsets – a nil tax payable position](#).

Example 6a: applying C Non-refundable non-carry forward tax offsets when B Gross tax is greater than offsets – a tax payable position

Dark Blue Superannuation Fund has the following amounts entered into its fund income tax return

Label	Label description	Amount \$
A	Taxable income	10,000
B	Gross tax	1,500
C	Non-refundable non-carry forward tax offsets	500

T2	Subtotal 1	1,000
D	Non-refundable carry forward tax offsets	0
T3	Subtotal 2	1,000
E	Refundable tax offsets	0
T5	Tax payable	1,000
I	Tax offset refunds (remainder of refundable tax offsets)	0
S	Amount due or refundable	1,000

Dark Blue Superannuation Fund has \$500 of non-refundable non-carry forward tax offsets to offset against \$1,500 gross tax, resulting in \$1,000 of tax payable.

Example 6b: applying C Non-refundable non-carry forward tax offsets when B Gross tax is less than offsets – a nil tax payable position

Light Blue Superannuation Fund has the following amounts entered into its fund income tax return:

Label	Label description	Amount \$
A	Taxable income	10,000
B	Gross tax	1,500
C	Non-refundable non-carry forward tax offsets	2,000
T2	Subtotal 1	0

D	Non-refundable carry forward tax offsets	0
T3	Subtotal 2	0
E	Refundable tax offsets	0
T5	Tax payable	0
I	Tax offset refunds (remainder of refundable tax offsets)	0
S	Amount due or refundable	0

Light Blue Superannuation Fund has \$2,000 of non-refundable non-carry forward tax offsets to offset against \$1,500 gross tax resulting in \$0 tax payable. Light Blue Superannuation Fund can't utilise or carry forward \$500 of the non-refundable non-carry forward tax offsets.

D Non-refundable carry forward tax offsets

If the total of the non-refundable carry forward tax offsets at label **D** is greater than the remaining tax at label **T2**, the excess may be carried forward to a future income year. If the amount at label **T2** is greater than the total of the non-refundable carry forward tax offsets at label **D**, the remaining tax is shown at label **T3 Subtotal 2**.

Write at label **D** the total of labels:

- **D1 Early stage venture capital limited partnership tax offset**
- **D2 Early stage venture capital limited partnership tax offset carried forward from previous year**
- **D3 Early stage investor tax offset**, and
- **D4 Early stage investor tax offset carried forward from previous year**.

If you didn't write an amount at labels **D1**, **D2**, **D3** or **D4**, leave label **D** blank.

The tax offsets shown at label **D** are not refundable.

D1, D2 Early stage venture capital limited partnership (ESCLVP) tax offset

The fund may be able to claim the ESVCLP tax offset if one or both of the following apply:

- it is entitled to the ESVCLP tax offset in the income year
- it has an amount of unused ESVCLP tax offset carried forward from a previous income year.

D1 Early stage venture capital limited partnership tax offset

Is the fund entitled to claim an ESVCLP tax offset for contributions made during the year?

The fund's 2023–24 ESVCLP tax offset is the sum of its tax offsets, based on the fund's contributions to the ESVCLP:

- as a limited partner of the ESVCLP, or
- through a partnership or trust.

The ESVCLP must have become unconditionally registered on or after 7 December 2015.

If the fund is a limited partner of an ESVCLP, the fund's tax offset is limited to 10% of the lesser of the following:

- the fund's total contributions to the ESVCLP during the income year (certain exclusions apply)
- the fund's share (based on the fund's interest in the entire capital of the ESVCLP at the end of the income year) of the sum of eligible venture capital investments made by the ESVCLP during the period at the start of the income year and ending 2 months after the end of the income year.

If the fund is a partner in a partnership or a beneficiary of a trust which has contributed to an ESVCLP, the fund may be entitled to an amount of ESVCLP tax offset. A written notification will be provided by the partnership or trustee of the trust setting out the fund's entitlement to this tax offset. If a written notification has not been provided, contact the partnership or the trustee.

Write the total amount of the ESVCLP tax offsets at label **D1**.

For more information about the ESVCLP tax offset and eligibility requirements, see [ESVCLP tax incentives and concessions](#).

D2 Early stage venture capital limited partnership tax offset carried forward from previous year

Does the fund have an amount of unused ESVCLP tax offset carried forward from a previous year?

To work out whether the fund can carry forward an amount of ESVCLP tax offset from a previous year to 2023–24, see Division 65 of the ITAA 1997.

The unused ESVCLP tax offset carried forward from a previous year may need to be adjusted for any net exempt income.

The unused ESVCLP tax offset carried forward from a previous year is reduced by 30 cents for every dollar of unused net exempt income, provided the fund had taxable income for that year.

Write at label **D2** the amount of unused ESVCLP tax offset carried forward from the previous year, less any reductions, if applicable.

For more information, see [ESVCLP tax incentives and concessions](#).

D3, D4 Early stage investor tax offset

The fund may be entitled to the early stage investor tax offset for the income year if the fund either:

- invested in an early stage innovation company during the year
- has an amount of unused early stage investor tax offset carried forward from a previous year.

The maximum offset (including current year and carried forward prior year amounts) that the fund, and its affiliates combined, can claim in 2023–24 is \$200,000.

D3 Early stage investor tax offset

Is the fund entitled to claim an early stage investor tax offset in 2023–24?

To work out the amount to include at label **D3**, follow the steps:

Step 1: Work out the total amount the fund paid for eligible shares in all [early stage innovation companies](#) in the income year.

If the requirements of the [sophisticated investor test](#) under the *Corporations Act 2001* are not met for at least one of the investments made in an early stage innovation company during the year, the step 1 amount must not exceed \$50,000. If the step 1 amount **exceeds \$50,000** the fund **can't claim** this offset.

Step 2: Multiply the step 1 amount by 20%.

Step 3: Identify the fund's entitlements to any early stage investor tax offsets as a beneficiary of a trust or a partner in a partnership that has invested in an early stage innovation company during the year.

If the fund is a partner in a partnership (excluding a partnership that is an ESVCLP) or a beneficiary of a trust which has invested in an early stage innovation company during the income year, the fund may be entitled to an early stage investor tax offset. Written notification will be provided by the partnership or trustee of the trust, setting out the fund's entitlement to this tax offset. If written notification has not been provided, contact the partnership or the trustee.

Step 4: Add together the amounts at step 2 and step 3. This is the step 4 amount.

Step 5: Subtract from \$200,000 the amount (if any) shown at label **D4 Early stage investor tax offset carried forward from previous year**. This is the step 5 amount.

Step 6: If the step 4 amount is equal to or less than the step 5 amount, write the step 4 amount at label **D3**.

If the step 4 amount is greater than the step 5 amount, write the step 5 amount at label **D3**.

The amount shown at label **D3** may need to be further reduced if any of the fund's affiliates are entitled to the early stage investor tax offset, whether for investments they made in 2023–24 or carried forward from a previous year.

The maximum offset (including current year and carried forward prior year amounts) that the fund, and its affiliates combined, can claim in 2023–24 is \$200,000.

D4 Early stage investor tax offset carried forward from previous year

Does the fund have an amount of unused early stage investor tax offset carried forward from a previous year?

To work out whether the fund can carry forward an amount of the early stage investor tax offset from a previous year, see Division 65 of the ITAA 1997.

The unused early stage investor offset carried forward from a previous year may need to be adjusted for any net exempt income.

The unused early stage investor tax offset carried forward from a previous year is reduced by 30 cents for every dollar of unused net exempt income, provided the fund had taxable income for that year.

Write at label **D4** the amount of unused early stage investor tax offset carried forward from a previous year, less any reductions if applicable.

Example: calculating early stage investor tax offset

The Retiresoon Fund has a carried forward early stage investor tax offset of \$60,000 from 2023–24.

In 2023–24, the Retiresoon Fund invested \$500,000 in eligible shares in one early stage innovation company, and \$250,000 in another. The Retiresoon Fund meets the requirements of the sophisticated investor test.

The Retiresoon Fund has gross tax of \$180,000 at label **B**, no amounts at label **C** (non-refundable non-carry forward offsets) and no exempt income.

The amount that the Retiresoon Fund writes at label **D4** is \$60,000. It calculates the amount reported at label **D3** by following these steps:

Step 1: The total amount paid for eligible shares in the early stage innovation companies in 2023–24 is \$750,000.

Step 2: Multiply step 1 amount (\$750,000) by 20% = \$150,000.

Step 3: Nil – The Retiresoon Fund has no early stage investor entitlements through trusts or partnerships.

Step 4: The Retiresoon Fund adds the amounts from steps 2 and 3. The result is \$150,000.

Step 5: The Retiresoon Fund subtracts the amount at label **D4** (\$60,000) from \$200,000. The result is \$140,000.

Step 6: As the step 4 amount (\$150,000) is greater than the step 5 amount (\$140,000), the Retiresoon Fund writes \$140,000 at label **D3**.

The Retiresoon Fund can claim an early stage investor tax offset equal to the sum of label **D4** and label **D3** amounts (\$60,000 plus \$140,000, totalling \$200,000).

Although the carried forward tax offset from 2023–24 of \$60,000 and the current year tax offset of \$150,000 (step 4 amount) equals \$210,000, the Retiresoon Fund's total tax offset is capped at \$200,000 for 2023–24. The unused excess of \$10,000 can't be carried forward to future income years.

As the Retiresoon Fund's entitlement to the tax offset (\$200,000) is greater than its gross tax payable (\$180,000), the unused portion of the offset (\$20,000) may be carried forward to future income years (subject to the rules in Division 65).

For more information about the tax offset and the eligibility requirements, see [Tax incentives for early stage investors](#).

T3 Subtotal 2

Write at label **T3** the subtotal of tax payable after label **D Non-refundable carry forward tax offsets** has been offset against label **T2 Subtotal 1**.

Label **T3** can't be less than zero.

Work out the amount at label **T3** as follows.

- If the amount at label **D** is less than the amount at label **T2** (see, [Example 7a](#))
 - subtract label **D** from label **T2**
 - write the result at label **T3**.
- If the amount at label **D** is more than or equal to the amount at label **T2** (see, [Example 7b](#))
 - write zero at labels **T3** and **T5**

- copy the amount at label **E** to **I Tax offset refunds (remainder of refundable tax offsets)**. Label **I** is mandatory. You must include an amount at **I** even if it is zero (write **0**).

Example 7 shows how to calculate **T3 Subtotal 2**, and is made up of 2 parts:

- [Example 7a: applying D Non-refundable carry forward tax offsets when T2 Subtotal 1 is greater than offsets – a tax payable position](#)
- [Example 7b: applying D Non-refundable carry forward tax offsets when T2 Subtotal 1 is less than offsets – a nil tax payable position.](#)

Example 7a: applying D Non-refundable carry forward tax offsets when T2 Subtotal 1 is greater than offsets – a tax payable position

Dark Blue Superannuation Fund has the following amounts entered into its Fund income tax return:

Label	Label description	Amount
A	Taxable income	\$10,000
B	Gross tax	\$1,500
C	Non-refundable non-carry forward tax offsets	\$0
T2	Subtotal 1	\$1,500
D	Non-refundable carry forward tax offsets	\$500
T3	Subtotal 2	\$1,000
E	Refundable tax offsets	\$0
T5	Tax payable	\$1,000
I	Tax offset refunds (remainder of refundable tax offsets)	\$0

S	Amount due or refundable	\$1,000
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Dark Blue Superannuation Fund has \$500 of non-refundable carry forward tax offsets, comprising the total of early stage venture capital limited partnership tax offsets (label **D1**) and early stage investor tax offsets (label **D3**), to offset against \$1,500 gross tax, resulting in \$1,000 of tax payable.

Example 7b: applying D Non-refundable carry forward tax offsets when T2 Subtotal 1 is less than offsets – a nil tax payable position

Light Blue Superannuation Fund has the following amounts entered into its Fund income tax return:

Label	Label description	Amount
A	Taxable income	\$10,000
B	Gross tax	\$1,500
C	Non-refundable non-carry forward tax offsets	\$0
T2	Subtotal 1	\$1,500
D	Non-refundable carry forward tax offsets	\$2,000
T3	Subtotal 2	\$0
E	Refundable tax offsets	\$0
T5	Tax payable	\$0
I	Tax offset refunds (remainder of refundable tax offsets)	\$0

S	Amount due or refundable	\$0
Light Blue Superannuation Fund has \$2,000 of non-refundable carry forward tax offsets, comprising the total of early stage venture capital limited partnership tax offsets (label D1) and early stage investor tax offsets (label D3) to offset against \$1,500 gross tax resulting in \$0 tax payable. Light Blue Superannuation Fund will carry forward \$500 of the non-refundable carry forward tax offsets for use in a later income year.		

E Refundable tax offsets

Write at label **E** the total of the amounts at labels **E1**, **E2**, **E3** and **E4**.

The tax offsets shown at label **E** are refundable, although they must first be offset against gross tax to reduce it to zero, if there is any gross tax to be paid after label **C** and label **D** have been applied. Any excess of refundable tax offsets is shown at label **I Tax offset refunds (Remainder of refundable tax offsets)** and is applied in calculating the fund's amount due or refundable. See [Example 9a](#) and [Example 9b](#).

E1 Complying fund's franking credits tax offset

Subject to the fund satisfying the holding period rule, a complying superannuation fund, complying ADF or PST is entitled to a refundable franking credits tax offset in respect of franked dividends received. This includes franked non-share dividends and assessable franked dividends from a New Zealand franking company.

Write at label **E1** the amount of franking credits that relate to franked dividends received including:

- franked non-share dividends
- assessable franked dividends from a New Zealand franking company.

Make sure you have included the amount of franking credits in the assessable income shown at item **10 Income** – labels:

- **I Gross distribution from partnerships**
- **L Dividend franking credit**

- **P Trust distributions franking credit**
- **E Australian franking credits from a New Zealand company**
- **U Net non-arm's length income.**

If the fund is a non-complying superannuation fund or a non-complying ADF, the fund is entitled to a non-refundable tax offset of franking credits that relate to franked dividends received (including franked non-share dividends and assessable franked dividends from a New Zealand franking company) against the income tax liability of the fund. Write the amount of the franking credits at label **C2 Rebates and tax offsets**.

Make sure you have included the amount of franking credits in as appropriate at item **10** – labels:

- **I Gross distribution from partnerships**
- **L Dividend franking credit**
- **P Trust distributions franking credit**
- **E Australian franking credits from a New Zealand company**
- **U Net non-arm's length income.**

Don't show at label **E1** any credits that the fund is entitled to have applied against its 2023–24 tax liability. These credits are shown elsewhere – for example, at label **K PAYG instalments raised**.

A dividend from a New Zealand franking company may also carry New Zealand imputation credits. An Australian resident can't claim New Zealand imputation credits.

E2 No-TFN tax offset

Write at label **E2** the no-TFN tax offset claimed.

A fund is entitled to a refundable no-TFN tax offset for 2023–24 if both:

- tax was payable by the fund on an amount of no-TFN-quoted contributions in one of the most recent 3 income years ending before 2023–24
- the no-TFN-quoted contributions were made to the fund to provide superannuation benefits for an individual who has quoted (for

superannuation purposes) their TFN to the fund for the first time in 2023–24.

The no-TFN tax offset is the total amount of the additional tax payable on amounts of no-TFN-quoted contributions for which both of the above conditions have been met.

A successor fund is entitled to a refundable no-TFN tax offset for 2023–24 if both:

- tax was payable by the previous original fund on an amount of no-TFN-quoted contributions in 2023–24 (the year in which the successor fund transfer occurred) or one of the most recent 3 income years ending before 2023–24
- the no-TFN-quoted contributions were made to the previous original fund to provide superannuation benefits for an individual who has never quoted (for superannuation purposes) their TFN to the previous original fund and has quoted their TFN to the successor fund for the first time in 2023–24.

The no-TFN tax offset is the total amount of the additional tax payable on amounts of no-TFN-quoted contributions for which both of the above conditions have been met.

Example 8: superannuation fund showing a credit at E2 No-TFN tax offset

The Margarita Superannuation Fund is a complying fund. The fund reported \$10,000 no-TFN-quoted contributions in its 2021–22 tax return and paid additional tax (at 32%) of \$3,200 on those no-TFN-quoted contributions.

The no-TFN-quoted contribution income included \$2,000 of assessable contributions made by Julie, as she had not provided her TFN to the fund by 30 June 2022. For the no-TFN-quoted contributions attributed to Julie, the fund paid additional tax of \$640. Julie provided her TFN to the fund on 30 September 2023.

In its 2023–24 tax return, the fund is entitled to claim a no-TFN tax offset for the additional tax of \$640 paid on the \$2,000 no-TFN-quoted contributions reported in the fund's 2021–22 tax return. The \$640 is included at item **12 Deductions** – label **E2**.

E3 National rental affordability scheme (NRAS) tax offset

Write at label **E3** the amount of NRAS tax offset entitlement.

The refundable tax offset is only available where the Housing Secretary from the Department of Social Services has issued a certificate under the NRAS. In order to claim the offset in 2023–24, the NRAS certificate must relate to the NRAS year comprising the period 1 May 2023 to 30 April 2024.

For more information, see [National rental affordability scheme – taxation issues](#).

E4 Exploration credits tax offset

Write at label **E4** the amount of exploration credits received during the income year.

A fund may be entitled to a tax offset for exploration credits received during the income year if it was an Australian resident for the whole of the income year.

The amount of the tax offset is the total value of exploration credits the fund received during the income year. However, special rules may apply where the fund has received exploration credits from a partnership or a trust.

For more information, see:

- [What to do if you receive exploration credits](#)
- Division 418 of the [Income Tax Assessment Act 1997](#).

T5 Tax payable

Write at label **T5** the amount of tax payable after the amount at label **E** has been offset against the amount at label **T3**.

Label **T5** can't be less than zero.

Label **T5** is mandatory. You must include an amount at label **T5** even if it is zero (if zero write **0**).

Work out the amount at label **T5** as follows.

- If the amount at label **E** is less than the amount at label **T3** (see, [Example 9a](#))

- subtract label **E** from label **T3**
- write the result at label **T5**.
- If the amount at label **E** is more than or equal to the amount at label **T3** (see, [Example 9b](#))
 - subtract label **T3** from label **E**
 - write the result at label **I**
 - write **0** (zero) at label **T5**.

Example 9 shows how to calculate **T5 Tax payable**, and is made up of 2 parts:

- [Example 9a: applying E Refundable tax offsets when B Gross tax is greater than tax offsets \(this is a payable position\)](#)
- [Example 9b: applying E Refundable tax offsets when B Gross tax is less than tax offsets \(this is a refundable position\).](#)

Example 9a: applying E Refundable tax offsets when B Gross tax is greater than tax offsets (this is a payable position)

Dark Red Superannuation Fund has shown the following amounts on its Fund income tax return:

Label	Label description	Amount
A	Taxable income	\$40,000
B	Gross tax	\$6,000
C	Non-refundable non-carry forward tax offsets	\$2,000
T2	Subtotal 1	\$4,000
D	Non-refundable carry forward tax offsets	\$0
T3	Subtotal 2	\$4,000

E	Refundable tax offsets	\$3,000
T5	Tax payable	\$1,000
G	Section 102AAM interest charge	\$200
H	Eligible credits	\$250
I	Tax offset refunds (Remainder of refundable tax offsets)	\$0
K	PAYG instalments raised	\$750
S	Amount due or refundable	\$200

Dark Red Superannuation Fund has an entitlement of \$2,000 of non-refundable non-carry forward tax offset and \$3,000 of refundable tax offset to be used to offset against \$6,000 gross tax, so:

- tax payable has been reduced to \$1,000 (label **T5**)
- there is no refundable tax offset to be carried into label **I** (write **0** at label **I**)
- add the \$200 (**G**) to the \$1,000 (label **T5**) to increase the liability to \$1,200
- subtract the \$250 (label **H**) and the \$750 (label **K**) from the \$1,200.

Label **S** will show a \$200 amount due.

Example 9b: applying E Refundable tax offsets when B Gross tax is less than tax offsets (this is a refundable position)

Light Red Superannuation Fund has shown the following amounts entered on its Fund income tax return:

Label	Label description	Amount
A	Taxable income	\$40,000
B	Gross tax	\$6,000
C	Non-refundable non-carry forward tax offsets	\$2,000
T2	Subtotal 1	\$4,000
D	Non-refundable carry forward tax offsets	\$0
T3	Subtotal 2	\$4,000
E	Refundable tax offsets	\$5,000
T5	Tax payable	\$0
G	Section 102AAM interest charge	\$300
H	Eligible credits	\$540
I	Tax offset refunds (Remainder of refundable tax offsets)	\$1,000
K	PAYG instalments raised	\$850
S	Amount due or refundable	\$2,090

Light Red Superannuation Fund has an entitlement of \$2,000 of non-refundable non-carry forward tax offsets and \$5,000 of refundable tax offsets to be used to offset against \$6,000 gross tax, so:

- tax payable has been reduced to \$0 (label **T5**)
- the \$1,000 of refundable tax offsets remaining, is transferred to **I**
- add the \$300 (label **G**) to the \$0 (label **T5**) to increase the liability to \$300

- subtract the \$540 (label **H**), \$1,000 (label **I**) and the \$850 (label **K**) from the \$300.

Label **S** will show a \$2,090 refundable amount.

G Section 102AAM interest charge

Write at label **G** the amount of interest calculated under section 102AAM of the Income Tax Assessment Act 1936 (ITAA 1936) in respect of a distribution received from a non-resident trust. Section 102AAM of the ITAA 1936 imposes an interest charge on certain distributions from non-resident trusts.

For more information, see [Foreign income return form guide](#).

H Eligible credits

Write at label **H** the total of the amounts at labels:

- **H2 Credit for tax withheld – foreign resident withholding (excluding capital gains)**
- **H3 Credit for tax withheld – where ABN or TFN not quoted (non-individual)**
- **H5 Credit for TFN amounts withheld from payments from closely held trusts**
- **H6 Credit for interest on no-TFN tax offset**
- **H8 Credit for foreign resident capital gains withholding amounts**

H2 Credit for tax withheld – foreign resident withholding (excluding capital gains)

Write at label **H2** the total amount of tax withheld from payments to the fund that were subject to foreign resident withholding in Australia. This includes the fund's share of foreign resident withholding credits for amounts subject to such withholding and distributed to the fund from a partnership or trust.

You complete label **H2** only if the amount was withheld in Australia and remitted to the ATO.

Where a credit is claimed at label **H2** for tax withheld under foreign resident withholding, the corresponding gross payment must be

included at item **10** – labels **I Gross distribution from partnerships, Q Trust distributions other amounts**, or **S Other income** (see gross payments subject to foreign resident withholding).

Don't include credits for amounts withheld from [foreign resident capital gains withholding](#) at label **H2**. Include this amount at label **H8**.

H3 Credit for tax withheld – where ABN or TFN not quoted (non-individual)

Write at label **H3**:

- the total tax withheld from payments to the fund that were subject to withholding as the fund's ABN or TFN was not quoted, this amount equals the sum for the amounts shown in the tax withheld boxes on the *Non-individual PAYG payment summary schedule 2024* – see [Schedules for funds](#)
- any amounts withheld from investments because the fund's TFN has not been quoted to the financial institution.

If a credit is shown at label **H3** for tax withheld because an ABN or TFN was not quoted, the corresponding gross payment must be included at item **10** – label **H Gross payments where ABN not quoted**.

Don't include at label **H3** any **contributions** that have been received by the fund for a member who has not quoted their TFN; these are reported at item **10** – label **R3 No-TFN-quoted contributions**.

H5 Credit for TFN amounts withheld from payments from closely held trusts

Write at label **H5** the total amount withheld from payments where the fund has not provided its TFN to the trustee of a closely held trust that is subject to the TFN withholding rules.

The trustee of a closely held trust is required to withhold amounts from payments made to the fund if the fund did not provide a TFN. The rate of withholding is 47% (top rate plus Medicare levy) of the payments made.

Where amounts have been withheld the trustee of a closely held trust is required to provide a beneficiary with a payment summary in the approved form. The credit amount claimed at label **H5** appears on the payment summary.

Don't include at label **H5** amounts from any other withholding rules.

If a credit is reported at label **H5** for tax withheld, the corresponding gross payment is included as a trust distribution at item **10** – labels **N** to **Q** (as applicable), unless it is non-arm's length income of the fund in which case it is included at item **10** – label **U Net non-arm's length income**.

For more information about the TFN withholding rules for closely held trusts see [TFN withholding for closely held trusts](#).

H6 Credit for interest on no-TFN tax offset

Write at label **H6** the total calculated interest amount of 50c or more for interest payable on the no-TFN tax offset claimed at label **E2**.

Interest on the no-TFN tax offset is only payable if all the following conditions are met:

- a member of the fund provided their TFN to their employer before the end of an income year (for example, the past income year, 2022–23)
- the employer was required by section 299C of the *Superannuation Industry (Supervision) Act 1993* (SISA) to inform the fund of the individual's TFN by the end of the past year, but did not do so
- as a result, the contributions made in respect of that member were no-TFN-quoted contributions income of the fund in that past year
- an amount of additional tax (which is the interest-bearing tax) that was payable in respect of the no-TFN-quoted contributions income counts towards the no-TFN tax offset under Subdivision 295-J of the ITAA 1997 for an income year (for example, the current income year, 2023–24) for the fund
- the no-TFN tax offset under that subdivision is applied when assessing the fund for the current year.

The interest is payable on each amount of interest-bearing tax.

Interest on tax that counts towards the no-TFN tax offset is calculated for the period between the later of:

- the day on which the amount of interest-bearing tax was paid
- the day by which the amount of interest-bearing tax was required to be paid, and

- the day on which the fund lodges its tax return for the current year (which is deemed to be the day on which the current year assessment is made).

The date of payment of the interest-bearing tax is:

- the date shown on the receipt
- the date the payment is posted to us, plus 3 business days
- the date shown on the fund's bank statement if payment is made through direct debit, that is, EFT.

If the relevant interest period extends over 2 or more quarters, calculate the interest for the number of days in the interest period in each quarter. **Example 10** has more information on how to calculate the amount of interest in such circumstances.

The rate of interest payable on the interest-bearing tax is the base interest rate determined under section 8AAD of the Taxation Administration Act 1953 (TAA). See [Credit interest rates and calculations](#) for the applicable interest rates up to 30 June 2024.

Keep a record of the amount of interest payable on tax that counts towards the no-TFN tax offset. This interest is assessable income of the fund in the income year in which it is paid to the fund or credited against another fund liability.

Example 10: superannuation fund showing a credit at H6 Credit for interest on no-TFN tax offset

The Caron Superannuation Fund is a complying fund and included \$10,000 no-TFN-quoted contributions in its 2022–23 tax return. An additional 32% tax amounting to \$3,200 was paid on these contributions. The fund's due date for lodgment of its 2022–23 tax return and payment of tax was 31 March 2024. The fund was slightly overdue lodging its return and in paying its tax. It paid the full amount of tax owing including the additional \$3,200 tax on the no-TFN-quoted contributions on 7 April 2024.

During 2023–24, Ian, a member of the fund, provided his TFN to the fund after he noticed that his account had been debited with \$1,000 which was the amount of the additional tax paid on his no-TFN-quoted contributions. Ian made a statement to the fund

saying he gave his TFN to his employer Adrian Pty Ltd when he completed a TFN declaration on 10 September 2022.

Caron Superannuation Fund prepares its 2023–24 tax return in March 2025 and anticipates that the return will be lodged on 31 March 2025.

At **E2** on the fund's 2023–24 tax return, Caron Superannuation Fund claims as a no-TFN tax offset the \$1,000 additional tax that was attributable to Ian's no-TFN-quoted contributions. (Ian's no-TFN-quoted contributions formed part of the \$10,000 reported in the fund's 2022–23 tax return and on which the fund paid the additional \$3,200 tax.)

Interest on the \$1,000 additional tax that was paid and is now claimed as a no-TFN tax offset is calculated for the period from 7 April 2024 (the day on which the fund paid the tax) until 31 March 2025 (the day on which the fund lodges its 2023–24 tax return and the day on which the assessment is deemed to be made).

Superannuation fund showing a credit at H6 Credit for interest on no-TFN tax offset

Quarter	Number of days and interest rate calculation	Total
Apr–Jun 2024	$\$1,000 \times (85 \div 365) \times (1.77 \div 100)$	\$4.122
Jul–Sep 2024	$\$1,000 \times (92 \div 365) \times (1.77 \div 100)$	\$4.461
Oct–Dec 2024	$\$1,000 \times (92 \div 365) \times (1.77 \div 100)$	\$4.461
Jan–Mar 2025	$\$1,000 \times (91 \div 365) \times (1.77 \div 100)$	\$4.413
Total interest	rounded to the nearest cent	\$17.46

Note 1: The total for each quarter is rounded to 3 decimal places.

Note 2: A generic base interest rate of 1.77 has been used for the purpose of this example.

The fund is entitled to claim credit for \$17.46 interest at label **H6**.

H8 Credit for foreign resident capital gains withholding amounts

Write at label **H8** the total amount of tax withheld from payments to the fund that were subject to foreign resident capital gains withholding in Australia. Include at label **H8** the fund's share of foreign resident capital gains withholding credits distributed to the fund from its share of net income from a trust.

You should only claim at label **H8** a credit equal to the amount of foreign resident capital gains withholding paid by a purchaser to the ATO on your behalf. The ATO would have issued the Fund with confirmation of this amount.

Don't include credits for amounts withheld from [foreign resident withholding](#) at label **H8**. Include these at label **H2 Credit for tax withheld – foreign resident withholding (excluding capital gains)**.

For more information, see [Capital gains withholding: Impacts on foreign and Australian residents](#).

I Tax offset refunds (Remainder of refundable tax offsets)

Label **I** is mandatory. You must include an amount at **I** even if it is zero (if zero write **0**).

If the amount at label **E** is less than or equal to the amount at label **T3**, that is, there is no refundable tax offset amount remaining, then you must write **0** (zero) at label **I**.

If the amount at label **E** is greater than the amount at label **T3**, that is, the fund has an excess amount of refundable tax offsets remaining from label **E**, you must write this amount at label **I**. See [Example 9a](#) and [Example 9b](#).

K PAYG instalments raised

Write at label **K** the total of the fund's PAYG instalments for 2023–24, whether or not the instalments have actually been paid.

Include the following amounts in the total instalment amount:

- If the fund didn't vary but used the instalment amounts worked out by us, show the amounts pre-printed at label **T7** on the fund's activity statements or at label **T5** on the annual instalment activity statement.
- If the fund didn't use the instalment amounts worked out by us, include the amounts which the fund reported at label **5A** on the fund's activity statements, reduced by any credits the fund claimed at label **5B**.

To ensure the fund receives the correct amount of credit for its PAYG instalments, make sure all of its activity statements are finalised before lodging the tax return. If the fund is required to lodge its activity statements, it should do so even if it can't pay on time or had nothing to pay.

The fund is entitled to a credit for its PAYG instalments, even if it has not actually paid a particular instalment. However, the fund will be liable for the general interest charge on any outstanding instalment for the period from the due date for the instalment until the date it is fully paid.

S Amount due or refundable

Write at label **S** the balance of tax payable or refundable as indicated in the tax return.

The amount at label **S** does not take into account any interim or voluntary payments that the fund has made against its income tax liability for 2023–24. If the fund has made such payments, take these into account in calculating the final payment but don't show the interim or voluntary payment amounts on this tax return.

For the amount at label **S**, add labels **T5** and **G**, and then subtract labels **H**, **I** and **K**

- If the amount at label **S** is positive, that amount is payable by the fund.
- If the amount at label **S** is negative, that amount is refundable to the fund.

We don't require a payment when the tax return is lodged. However, if you prefer to make a payment at this time, see [How to pay your tax debt for the fund income tax return](#).

The fund must keep all documents issued by financial institutions detailing payments of income and any TFN amounts deducted from those payments.

The fund must also maintain details of any TFN amounts deducted from an income payment made to the fund and subsequently refunded by their financial institution. The fund must keep a record of the following details for the refund:

- amount of refund received
- date of refund
- investment reference number – for example, the bank account number of the investment relating to the refund.

Continue to: [Section E: Losses](#)

Return to: [Instructions to complete the fund income tax return 2024](#)

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Section E: Losses

Deals with all losses claimed for 2023–24 at item 13. Don't show cents for any amount you write.

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When you need to complete a losses schedule

Complete a *Losses schedule 2024* and attach it to the tax return if the fund has either:

- a combined total for tax losses and net capital losses carried forward to 2024–25 of greater than \$100,000

- an interest in a CFC that has current year CFC losses greater than \$100,000
- an interest in a CFC that has deducted or carried forward a loss to later income years greater than \$100,000.

13 Losses

Complete at item **13**, labels:

- [U Tax losses carried forward to later income years](#)
- [V Net capital losses carried forward to later income years.](#)

U Tax losses carried forward to later income years

Write at label **U** the total tax losses incurred by the fund that are to be carried forward for deduction in later income years under section 36-15 of the Income Tax Assessment Act 1997 (ITAA 1997). The amount at label **U** is the total of:

- the fund's **tax loss for 2023–24** (reduced by any net exempt income)
- the fund's **prior year tax losses** to the extent that they have not already been utilised within the meaning of section 960-20 of the ITAA 1997.

The fund's 2023–24 net exempt income, if any, is taken into account when calculating the amount of its 2023–24 tax loss. If the fund's 2023–24 net exempt income is greater than the amount by which the fund's deductions (not including prior year tax losses) exceed its assessable income in 2023–24, the fund's 2023–24 tax loss will be nil and the surplus net exempt income will reduce prior year tax losses. [Example 3c](#) shows the effect of exempt current pension income on tax losses.

The meaning of 'net exempt income' is explained at item **11** – label **M Tax losses deducted**. Don't include any net capital losses to be carried forward to later income years at label **U**; show these at label **V Net capital losses carried forward to later income years** and in the capital gains tax (CGT) schedule at item **3**, if a schedule is required.

If the fund is required to complete a *Losses schedule 2024*, the amount shown at item **1** – label **U Tax losses carried forward to later**

income years in part A of the schedule must be the same as the amount shown at label **U** in the tax return.

Don't include an amount of quarantined losses in respect of non-arm's length income at label **U**. You should keep a record of the quarantined loss amount with the fund's tax record.

V Net capital losses carried forward to later income years

Write at label **V** the total of any unapplied net capital losses from collectables and unapplied net capital losses from all other CGT assets and events. If this item applies to the fund, you must refer to the [Guide to capital gains tax 2024](#) to complete this item. It also explains the special CGT rules that apply to foreign residents and trustees of foreign trusts.

This information is calculated or transferred from:

- label **3B** in table 3 and label **3A** in table 9 of the CGT summary worksheet
- item **3** – labels **A** and **B** in item **3** of the CGT schedule, if one is required.

If the fund is required to complete a *Losses schedule 2024* the amount shown in part A at item **2** – label **V Net capital losses carried forward to later income years** of that schedule must be the same as the amount written at label **V** in the tax return.

Continue to: [Section F: Other information](#)

Return to: [Instructions to complete the fund income tax return 2024](#)

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Section F: Other information

Deals with other financial information that the Commissioner has determined is necessary to assess the operation.

Last updated 2 July 2024

14 Foreign income and net assets

Complete at item **14**, labels:

- [A Attributed foreign income – listed country](#)
- [C Attributed foreign income – unlisted country](#)
- [F Net assets available to pay benefits](#)

A Attributed foreign income – listed country

Write at label **A** the amount of attributed foreign income from controlled foreign entities and transferor trusts in listed countries.

Listed countries are set out in Regulation 19 of the *Income Tax Assessment (1936 Act) Regulation 2015*.

Attributed foreign income includes the income attributed to the taxpayer from controlled foreign companies, calculated in accordance with Division 7 of Part X of the Income Tax Assessment Act 1936 (ITAA 1936), and includes amounts grossed up under section 392 of the ITAA 1936, as appropriate, to the extent of any foreign or Australian taxes paid.

Attributed foreign income from transferor trusts is the total amount of income attributed to the taxpayer from a transferor trust that is a listed country trust estate (as defined in section 102AAE of the ITAA 1936), calculated in accordance with Subdivision D of Division 6AAA of Part III of the ITAA 1936, and reduced under paragraph 102AAU(1)(d) of the ITAA 1936, as appropriate, to the extent of any foreign or Australian taxes paid.

C Attributed foreign income – unlisted country

Write at label **C** the amount of attributed foreign income from controlled foreign entities in unlisted countries.

Unlisted countries are countries not listed in Regulation 19 of the *Income Tax Assessment (1936 Act) Regulation 2015*.

Show also at label **C** the amount of income attributed from a transferor trust if the amount has not been included at label **A Listed country**.

For more information about the exemptions and calculation of the amounts to be reported at label **A** or **C**, see the [Foreign income return](#)

[form guide.](#)

F Net assets available to pay benefits

Write at label **F** the total value of net assets available to pay benefits, including items such as life policies, units held in pooled superannuation trusts (PSTs) and assets funding current pension liabilities at the balance date.

If the value of life policies is not known, use the total of contributions to date.

15 Transfer of liabilities to life insurance company or pooled superannuation trust

Complete at item **15**:

- [Has the fund, with consent of the transferee, transferred assessable contributions under section 295-260 to a life insurance company or pooled superannuation trust?](#)
- [Investment in any other life insurance policies or pooled superannuation trusts](#)

Has the fund, with consent of the transferee, transferred assessable contributions under section 295-260 to a life insurance company or pooled superannuation trust?

Print **X** in the appropriate box at label **A**.

If the answer at label **A** is **Yes** then print:

- the name of the life insurance company or PST
- the ABN of the life insurance company or PST
- the amount of the contributions transferred to each transferee at labels **B** and **D**
- the market value of the transferor's investment in each of the transferees at labels **C** and **E**.

Where there are more than 2 transferees, provide details of the 2 transferees that have the greatest market value.

The investments of a fund or approved deposit fund (ADF) in a life insurance company or PST may include items such as life insurance policies and units held in PSTs at the balance date.

Investment in any other life insurance policies or pooled superannuation trusts

Write at label **F** the total market value of investments in any other life insurance policies or PSTs that have not been included above.

For labels **C**, **E** and **F**, market value is to be given its ordinary meaning in accordance with and subject to Subdivision 960-S of the ITAA 1997.

16 Taxation of financial arrangements (TOFA)

Complete at item **16**, labels:

- [H Total TOFA gains](#)
- [I Total TOFA losses.](#)

Write at labels **H** and **I** the total assessable gains and total deductible losses made from financial arrangements under the TOFA rules (unless it was made only because the fund held a qualifying security).

For more information about when the TOFA rules apply to funds, see:

- [General information for funds](#)
- [Guide to the taxation of financial arrangements \(TOFA\).](#)

H Total TOFA gains

Write at label **H** the fund's total assessable TOFA gains from financial arrangements.

I Total TOFA losses

Write at label **I** the fund's total deductible TOFA losses from financial arrangements.

Ensure you take into account at labels **H** and **I** assessable gains or deductible losses made from financial arrangements subject to the TOFA rules that you have shown at:

- item **10 Income** – labels

- **C Gross interest**
- **D Net foreign income**
- **D1 Gross foreign income**
- **I Gross distribution from partnerships**
- **J Unfranked dividend amount**
- **N Trust distributions unfranked amount**
- **Q Trust distributions other amounts**
- **G Foreign Exchange Gains**
- **S Other income**
- item **11 Deductions** – labels
 - **A Interest expenses within Australia**
 - **B Interest expenses overseas**
 - **R Foreign exchange losses**
 - **L Other deductions.**

17 Overseas transaction or interest and foreign source income

You must answer this question even if the fund has no overseas transactions or interests.

Complete at item **17**, labels:

- [A and B International related party dealings and transfer pricing](#)
- [C Overseas interests](#)
- [D Foreign source income](#)
- [E Transactions with specified countries.](#)

A and B International related party dealings and transfer pricing

To complete this section, consider the questions below.

Did the fund have any transactions or dealings with international related parties, irrespective of whether they were on revenue or capital account?

Print **X** at label **A** in the appropriate box, either **No** or **Yes**.

International related parties are associated entities or persons, including permanent establishments, who are parties to international (that is, cross border) dealings which may be subject to either:

- Subdivision 815-B or 815-C of the ITAA 1997
- the business profits article of a relevant tax treaty
- the associated enterprises article of a relevant tax treaty.

International related parties include:

- any overseas entity or person who participates directly or indirectly in the fund's management, control or capital
- any overseas entity or person in respect of which the fund participates directly or indirectly in the management, control or capital
- any overseas entity or person in respect of which persons who participate directly or indirectly in its management, control or capital are the same persons who participate directly or indirectly in the fund's management, control or capital
- a permanent establishment and its head office
- two permanent establishments of the same person.

'Participates' includes a right of participation, the exercise of which is contingent on an agreed event occurring. 'Person' has the same meaning as in subsection 6(1) of the ITAA 1936 and section 995-1 of the ITAA 1997.

The type of dealings or transactions that will require the fund to select **Yes** at this question are dealings by the entity with international related parties as mentioned above, such as an overseas holding company, overseas subsidiary, overseas permanent establishment of the entity, or non-resident trust in which the entity has an interest.

These international dealings or transactions may be for the provision or receipt of services, or transactions in which money or property has been sent out of Australia, or received in Australia from an overseas

source during the income year. The dealings may also include transfers of tangible or intangible property, provision or receipt of services, or the provision or receipt of loans or financial services.

If money or property is not actually sent out of Australia or received in Australia, but accounting entries are made that have the effect of money or property being transferred, this is also to be taken as an international transaction.

Was the aggregate amount of the transactions or dealings with international related parties (including the value of property transferred or the balance outstanding on any loans) greater than \$2 million?

Print **X** at label **B** in the appropriate box, either **No** or **Yes**.

The aggregate amount of the dealings is the total amount of all dealings, whether on revenue or capital account, and includes the balance of any loans or borrowings outstanding with international related parties.

Transactions must not be netted off against each other. Hence, a \$600,000 purchase from, and a \$700,000 sale to, a related party should be treated as totalling \$1,300,000 not \$100,000.

C Overseas interests

To complete this section, consider the question below.

Did the fund have an overseas branch or a direct or indirect interest in a foreign trust, foreign company, controlled foreign entity or transferor trust?

Print **X** at label **C** in the appropriate box, either **No** or **Yes**.

An interest in a controlled foreign company or trust may be either direct or indirect, and is taken to have the same meaning as set out in Division 3 Part X of the ITAA 1936.

A fund has an interest in a transferor trust if it has ever made, or caused to be made, a transfer of property (including money) or services to a non-resident trust. 'Transfer', 'property' and 'services' are defined in section 102AAB of the ITAA 1936. Sections 102AAJ and 102AAK of the ITAA 1936 provide guidance in relation to whether there has been a transfer or deemed transfer of property or services to a non-resident trust.

D Foreign source income

To complete this section, answer the question below.

Was the amount of foreign income tax paid greater than \$100,000 OR was the amount of assessable foreign income greater than \$500,000?

Print **X** at label **D** in the appropriate box, either **No** or **Yes**.

Assessable foreign income is all assessable income sourced from overseas, and includes interest, dividends, attributable income through the CFC regime, and foreign-sourced capital gains.

For more information on foreign income tax, see:

- [Guide to foreign income tax offset rules 2024.](#)

For more information on foreign sourced capital gains, see:

- [Foreign income return form guide](#)
- [Guide to capital gains tax 2024.](#)

E Transactions with specified countries

Print **X** at label **E** in the **No** box if you answer No to both questions below. Use the **Yes** Box if you answer Yes to either question.

Answer the following 2 questions:

1. Did the fund directly or indirectly send to, or receive from, one of the countries in the specified countries and jurisdictions list below, any funds or property? This includes sending or receiving the funds or property indirectly, for example, through another entity or country.
2. Does the fund have the ability to control the disposition of any funds, property, investments or any other assets located in any of the countries or jurisdictions in the specified countries and jurisdiction list below?

This includes:

- funds or assets that may be located elsewhere but are controlled or managed from one of the countries in the specified countries list below
- where you have an expectation that you are able to control the disposition of the funds or assets or you can control the disposition

indirectly, for example, through associates.

Specified countries and jurisdictions

- Andorra
- Anguilla
- Antigua and Barbuda
- Aruba
- Bahamas
- Bahrain
- Barbados
- Belize
- Bermuda
- British Virgin Islands
- Cayman Islands
- Cook Islands
- Curacao
- Cyprus
- Dominica
- Gibraltar
- Grenada
- Guernsey
- Hong Kong
- Ireland
- Isle of Man
- Jersey
- Liberia
- Liechtenstein
- Luxembourg

- Mauritius
- Monaco
- Montserrat
- Nauru
- Netherlands
- Niue
- Panama
- Republic of Marshall Islands
- Samoa
- Saint Maarten (Dutch part)
- Saint Kitts and Nevis
- Saint Lucia
- Saint Vincent and the Grenadines
- San Marino
- Seychelles
- Singapore
- Turks and Caicos Islands
- Switzerland
- US Virgin Islands
- Vanuatu.

18 Other transactions

Complete at item **18**, labels:

- [A Exempt current pension income](#)
- [B and C Death or disability deduction](#)
- [D Payments to contributing employers and associates.](#)

A Exempt current pension income

Print **X** at label **A** in the appropriate box, either **No** or **Yes**.

If the fund has claimed an amount of exempt current pension income in respect of retirement phase superannuation income stream benefits, other than those prescribed by the income tax regulations where assets are fully segregated for all of the income year, has the trustee obtained the relevant actuary's certificate or certificates required by sections 295-385 or 295-390 of the ITAA 1997 before the exemption can be claimed?

Retirement phase superannuation income stream benefits prescribed by regulation 295-385.01 of the [Income Tax Assessment \(1997 Act\) Regulations 2021](#)  are retirement phase superannuation income stream benefits payable from:

- an allocated pension
- a market linked pension
- an account-based pension
- within the meaning of the SIS Regulations.

B and C Death or disability deduction

To complete this section, answer the question below.

Is the fund or trust claiming a deduction for premiums for death or disability cover of a member under section 295-465 of the ITAA 1997 that requires an actuary's certificate to be obtained?

Print **X** at label **B** in the appropriate box, either **No** or **Yes**.

If Yes, has the fund or trust obtained the relevant certificate?

Print **X** at label **C** in the appropriate box, either **No** or **Yes**.

D Payments to contributing employers and associates

To complete this section, answer the questions below.

Has the fund or trust made a payment or transferred a benefit that is included in the assessable income of the recipient under section 290-100 of the ITAA 1997?

Print **X** at label **D** in the appropriate box, either **No** or **Yes**.

Continue to: [Section G: Declarations](#)

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Section G: Declarations

All declarations must be signed by the appropriate person.

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Trustee's, director's or public officer's declaration

All trustees are equally responsible and accountable for managing the fund and making sure it complies with the law. The signing of this declaration confirms that all trustees and directors have authorised this tax return and that the information supplied is true and correct.

This tax return should be authorised by all trustees of the fund and documented as such in the fund's records. All trustees should ensure that the audit undertaken on the fund has been reviewed by all trustees before this tax return has been authorised.

Penalties may be imposed for providing false or misleading information. The penalty can apply to shortfall amounts, or for statements that don't result in a change in a tax liability.

Preferred trustee, director or public officer's contact details

List the name and contact details of the individual (not the tax agent) that we can contact if required.

A contact phone number (including area code), or email address (or both) must be provided.

Time taken to prepare and complete this tax return

We are committed to reducing the costs involved in complying with the fund's tax and regulatory obligations. The trustee's response to this

item is voluntary.

When completing this item, consider the time, rounded up to the nearest hour, which you spent:

- reading the tax return instructions
- collecting the necessary information to complete this tax return
- making any necessary calculations
- actually completing this tax return or putting the tax affairs of the fund in order so the information can be handed to the fund's tax agent.

Include the time both the trustee and tax agent spent in preparing and completing the tax return. This includes the time spent by any other person who helped in doing this.

Tax agent's declaration

If the tax agent is a partnership or a company, a person authorised by that partnership or company to sign on its behalf must sign this declaration. Print that person's name at this item.

Tax agent's contact details

List the name and contact details, including:

- title
- family name
- given names
- details of the tax agent's practice
- the tax agent's phone number (including the area code)
- the tax agent's reference number (meaning the number the tax agent has allocated to the fund)
- the tax agent number (issued to the agent by the Tax Practitioners Board).

Continue to: [General information for funds](#)

Return to: [Instructions to complete the fund income tax return 2024](#)

General information for funds

Find information to support your lodgment, record keeping, assessments, objections and private rulings for funds.

Published 30 May 2024

A trustee must elect for the fund to become 'regulated' under the SISA if the fund wishes to receive concessional tax treatment. The trustees of a new fund must give the Commissioner of Taxation a notice of an election to be a regulated superannuation fund. This must be provided within 60 days after establishment of the fund.

The trustee completes an application for ABN registration for superannuation entities. You can register at abr.gov.au  or you can phone **13 10 20** and ask for a paper copy of the application.

Once a trustee has elected for the fund to become regulated, they can't reverse the decision; the fund would have to be wound up to cease to be regulated under the SISA and the [Superannuation Industry \(Supervision\) Regulations 1994](#)  (SISR).

Switching regulators or changing trustees

Don't use either the *Fund income tax return 2024* or the *Self-managed superannuation fund annual return 2024* to report a switch of regulator or changes of trustees. If a non-regulated or Australian Prudential Regulation Authority (APRA) regulated superannuation fund attempts to lodge a *Self-managed superannuation fund annual return 2024* it will be rejected. The same will occur if an SMSF attempts to lodge a *Fund income tax return 2024*.

Taxation of financial arrangements (TOFA)

The key provisions of the TOFA rules are found in Division 230 of the ITAA 1997, which generally provides for:

- methods of taking into account gains and losses from financial arrangements, being accruals, realisation, fair value, foreign

exchange retranslation, hedging, reliance on financial reports and balancing adjustment

- the time at which the gains and losses from financial arrangements will be brought to account.

Which funds are affected?

The TOFA rules apply to a fund where the value of the fund's assets is \$100 million or more. For the purposes of this test, the value of the fund's assets is worked out at the end of the immediately preceding income year (being the fund's income year ending 30 June 2010 or a later income year). If the fund came into existence during the current income year, the value of the fund's assets is worked out at the end of this income year.

Once the TOFA rules apply to a fund, they will continue to apply to that fund, even if its value of assets later falls below \$100 million.

A fund that does not meet these requirements can elect to have the TOFA rules apply to it.

Which financial arrangements will the TOFA rules apply to?

The TOFA rules apply to all financial arrangements that the affected fund starts to have during income years commencing on or after 1 July 2010. In addition, a fund may have elected to have the TOFA rules apply to its financial arrangements for income years commencing on or after 1 July 2009.

A fund may have also separately made a transitional election to apply the TOFA rules to their existing financial arrangements.

For more information, see the [Guide to the taxation of financial arrangements \(TOFA\)](#).

Foreign exchange gains and losses

Under the [Foreign exchange gains and losses](#) (forex gains and losses) measures (Division 775 of the ITAA 1997) and the general translation and functional currency rules (Subdivisions 960-C and 960-D of the ITAA 1997), forex gains and losses are generally brought to account as assessable income or allowable deductions, when realised.

The forex measures cover both foreign currency denominated arrangements and, broadly, arrangements to be cash-settled in Australian currency with reference to a currency exchange rate. Forex gains and losses of a private or domestic nature, or in relation to exempt income or non-assessable non-exempt income, are not brought to account under the forex measures.

If a forex gain or loss is brought to account under the forex provisions and under another provision of the tax law (apart from the TOFA rules), it is assessable or deductible only under the forex measures.

Generally, where the TOFA rules apply to the forex gains and losses of a fund, then those gains and losses will be brought to account under the TOFA rules instead of the forex measures.

Additionally, forex gains and losses will generally not be assessable or deductible under the forex measures if they arise from certain acquisitions or disposals of capital assets, including CGT assets and depreciating assets, and the time between the acquisition or disposal and the due date for payment is no more than 12 months. Instead, any forex gain or loss is usually matched with or integrated into the tax treatment of the underlying asset.

The general translation rule requires all tax relevant amounts to be expressed in Australian currency regardless of whether there is an actual conversion of that foreign currency into Australian dollars.

The tax consequences of forex gains or losses on foreign currency assets, rights and obligations that were acquired or assumed before 1 July 2003 are determined under the law as it was before these measures came into effect, unless either:

- the fund has made a transitional election that brings these gains and losses within the forex measures
- there is an extension of an existing loan (for example, an extension by new contract or a variation to an existing contract) that brings the arrangement within these measures.

General value shifting regime

The [general value shifting regime](#) (GVSR) (Divisions 723 to 727 of the ITAA 1997) can apply to value shifts that happen from 1 July 2002.

Broadly, value shifting describes transactions and other arrangements that reduce the value of an asset and (usually) increase the value of another asset.

The GVSR consists of direct value shifting (DVS) and indirect value shifting (IVS) rules that primarily affect equity and loan interests in companies and trusts. There is also a DVS rule dealing with non-depreciating assets over which a right has been created. There are different consequences for particular interests according to whether the interest is held on capital account, as a revenue asset, or as trading stock.

Where the rules apply to a value shift, there may be a deemed gain (but not a loss) adjustment to adjustable values (such as cost bases) or adjustments to losses or gains on the realisation of assets.

There are '*de minimis*' exceptions and exclusions which will minimise the cost of complying with the GVSR, particularly for small businesses. Entities dealing at arm's length or on market value terms are generally excluded from the GVSR.

For more information, see [Guide to the general value shifting regime](#).

Debt and equity rules

The debt and equity rules (Division 974 of the ITAA 1997) broadly operate to characterise certain interests as either debt or equity. For some tax law purposes, equity interests that are not shares are treated in the same way as shares, even though they are not shares in legal form. These interests are called 'non-share equity interests'. They include some income securities and some stapled securities.

For an overview of the debt and equity rules and an explanation of what constitutes a non-share equity interest, see [Guide to the debt and equity tests](#).

For the purposes of the imputation system, generally non-share equity interests are treated in the same way as shares that are not debt interests. Non-share dividends on these types of interests may be franked or unfranked. Show any amount of non-share dividend, whether franked or unfranked, or any amount of franking credit attached to the non-share dividend at the appropriate place in the tax return as if it were for a share.

Trans-Tasman imputation

The [Trans-Tasman imputation](#) provisions (Division 220 of the ITAA 1997) allow New Zealand resident companies to choose to enter the Australian imputation system. Doing so allows a company to maintain an Australian franking account and to attach Australian franking credits to dividends it pays one month after the company makes an election. Australian shareholders of these companies may benefit from the Australian franking credits attached to distributions the companies make (such a company is referred to as a New Zealand franking company).

If the fund is an Australian shareholder of a New Zealand franking company and received franked dividends with Australian franking credits attached directly or indirectly from a New Zealand franking company, see the following instructions for help in completing the tax return, item **10 Income** – labels:

- [D1 Gross foreign income](#)
- [E Australian franking credits from a New Zealand company](#).

Foreign resident withholding

Subdivision 12-FB of Schedule 1 to the *Tax administration Act 1953* (TAA) contains a withholding event for payments made to foreign residents. Only payments prescribed in the *Taxation Administration Regulations 2017* (and former *Taxation Administration Regulations 1976*) are subject to this withholding measure. Withholding applies to certain payments made to foreign residents for operating or promoting gaming junkets in one or more casinos, entertainment or sports activities, the construction, installation and upgrading of buildings, plant and fixtures and activities associated with such construction.

Payers are required to withhold at the relevant rate prescribed in the appropriate regulation. We may grant a variation to the rate of withholding in special circumstances.

- [Foreign resident withholding](#) does not affect other pay as you go (PAYG) and non-resident withholding obligations on interest, dividend and royalty payments.
- This withholding is not a final tax. These withholding requirements will not affect existing income tax obligations for foreign residents deriving assessable income in Australia, such as the requirement to

lodge a tax return. Any amounts withheld may be available as a credit against the income tax assessed.

Gross income subject to foreign resident withholding will not be taken into account in determining the fund's instalment income.

Foreign currency translation rules

If the fund has entered into transactions in a foreign currency or derived income in a foreign currency, those amounts will need to be translated to Australian currency to calculate the amount assessable or deductible. The [foreign currency translation rules](#) are contained in Subdivision 960-C of the ITAA 1997 (and the functional currency rules are contained in Subdivision 960-D of the ITAA 1997).

More information available on [General information on average rates](#).

Self-determination of foreign income tax offset

If a superannuation fund has paid foreign tax and wants to claim a foreign income tax offset, calculate the amount of any such offset allowed and show it at item **12** – label **C1 Foreign income tax offset** in Section D: Income tax calculation statement.

For more information on the calculation of foreign income tax offset, see the [Guide to foreign income tax offset rules 2024](#).

Treatment of crypto assets

If you are involved in acquiring or disposing of crypto assets, you need to be aware of the tax consequences. These vary depending on the nature of your circumstances.

For information on any of the activities below, see [Crypto asset investments](#) and [Crypto assets and business](#).

Continue to: [Appendixes for the fund tax return](#)

Return to: [Instructions to complete the fund income tax return 2024](#)

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Appendixes for the fund tax return

Find additional information to help you understand and complete certain sections of your fund income tax return.

Published 30 May 2024

Appendix 1: Capital works deductions



Use Appendix 1 for information about capital works deductions.

Appendix 2: Responsibilities of trustees



Use Appendix 2 for information about the responsibilities of trustees in the preparation of the fund income tax return.

Appendix 3: Rates of tax



Appendix 3 provides the rates of tax that apply to super funds, approved deposit funds and pooled super trusts.

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Appendix 1: Capital works deductions

Use Appendix 1 for information about capital works deductions.

Last updated 2 July 2024

Capital works

Division 43 of the Income Tax Assessment Act 1997 (ITAA 1997) provides for a system of deducting capital expenditure incurred in the construction of buildings and other capital works used to produce assessable income.

You can deduct construction costs in respect of the following capital works:

- buildings or extensions, alterations or improvements to a building either:
 - begun in Australia after 21 August 1979
 - begun outside Australia after 21 August 1990
- leasehold improvements such as shop fitouts
- structural improvements or extensions, alterations or improvements to structural improvements begun after 26 February 1992
- environmental protection earthworks on which the expenditure was incurred after 18 August 1992.

Deductions for construction costs must be based on actual costs incurred. If it is not possible to genuinely determine the actual costs, obtain an estimate by a quantity surveyor or other independent qualified person. The costs incurred by the fund to obtain this estimate are deductible as a tax-related expense, not as an expense in gaining or producing assessable income.

Different deduction rates apply (2.5% or 4%) depending on the date on which construction began, the type of capital works, and the manner of use.

Who can claim?

The fund can claim a deduction under Division 43 for an income year only if it:

- owns, leases or holds under quasi-ownership rights part of a construction expenditure area of capital works ('your area')
- incurred the construction expenditure or is an assignee of the lessee or holder who incurred the expense (in the case where the

fund is a lessee of the capital works or is a holder of a quasi-ownership right)

- uses 'your area' in a deductible way (which generally means to produce assessable income).

In calculating the fund's deduction, identify 'your area' for each construction expenditure area of the capital works. Your area may comprise the whole of the construction area or part of it.

Lessee or holder of capital works

A lessee or holder can claim a deduction for an area leased or held under a quasi-ownership right. To claim a deduction, the lessee or holder must have:

- incurred the construction expenditure or been an assignee of the lessee who incurred the expenditure
- continuously leased or held the capital works area itself, or leased or held the area that had been so held by previous lessees, holders or assignees since completion of construction
- used the area in a deductible way (which generally means to produce assessable income).

If there is a lapse in the lease the entitlement to the deduction reverts to the building owner.

This deduction must not be claimed as capital allowances costs using an effective life equating to the term of the lease.

Requirement for deductibility

A fund can deduct an amount for capital works in an income year if:

- the capital works have a 'construction expenditure area'
- there is a 'pool of construction expenditure' for that area
- the fund uses the area in the income year in a deductible way (which generally means to produce assessable income) set out in [section 43-140](#) of the ITAA 1997.

No deduction until construction is complete

A fund can't claim a deduction for any period before the completion of construction of the capital works even though the fund used them, or part of them, before completion. Additionally, the deduction can't exceed the undeducted construction expenditure for 'your area'.

Capital works are taken to have begun when the first step in the construction phase starts – for example, pouring foundations or sinking pylons for a building.

Establishing the deduction base

The fund can deduct an amount for capital works if there is a construction expenditure area for the capital works.

Whether there is such an area and how it is identified depends on:

- the type of expenditure incurred (only [construction expenditure](#) as defined in section 43-70 of the ITAA 1997 is deductible under Division 43 of the ITAA 1997)
- the time the capital works commenced
- the area of the capital works to be owned, leased or held by the entity that incurred the expenditure
- for capital works begun before 1 July 1997, the area of the capital works that was to be used in a particular manner, see [section 43-90](#) of the ITAA 1997.

Construction expenditure

Construction expenditure includes:

- preliminary expenses such as architect's fees, engineering fees, foundation excavation expenses and costs of building permits
- costs of structural features that are an integral part of the income-producing building or income-producing structural improvements – for example, lift wells and atriums
- some portion of indirect costs.

For an owner-builder entitled to a deduction under Division 43 of the ITAA 1997, the value of their contributions to the works (that is, labour or expertise and any notional profit element) don't form part of construction expenditure. See Taxation Ruling [TR 97/25](#) *Income tax: property development: deduction for capital expenditure on construction of income producing capital works, including buildings and structural improvements*.

Construction expenditure does not include expenditure on:

- acquiring land
- demolishing existing structures
- clearing, levelling, filling, draining or otherwise preparing the construction site before carrying out excavation work
- landscaping
- plant
- property for which a deduction is allowable or would be allowable if the property were to be used for the purpose of producing assessable income under another specified provision of the ITAA 1936 or the ITAA 1997.

Construction expenditure area

The construction of the capital works must be complete before the construction expenditure area is determined. A separate construction expenditure area is created each time an entity undertakes the construction of capital works.

The construction expenditure area for capital works that started after 30 June 1997 is the part of the capital works on which the construction expenditure was incurred by an entity that, at the time it was incurred, was to be owned, leased or held (under of quasi-ownership rights) by the entity.

For the construction expenditure area of capital works begun before 1 July 1997, the capital works must have been intended for use for a certain specified purpose at the time of completion. The type of capital works and the intended use on completion depends on the time when the capital works commenced. The first specified use construction time was 22 August 1979; see the table in [section 43-90](#) and [subsection 43-75\(2\)](#) of the ITAA 1997.

No deduction is available under Division 43 of the ITAA 1997 for capital works which began on or before 21 August 1979; see [subsection 43-20\(1\)](#) of the ITAA 1997.

Pool of construction expenditure

The pool of construction expenditure is the portion of the construction expenditure incurred by an entity on capital works, which is attributable to the construction expenditure area.

The portion of the pool of construction expenditure that is attributable to the area that is owned, leased or held by the fund is called 'your construction expenditure'.

Deductible use

A fund can only claim a deduction under Division 43 of the ITAA 1997 if it uses 'your area' in a way described in [Table 43-140](#) or [Table 43-145](#) of Subdivision 43-D of the ITAA 1997.

Special rules about uses

'Your area' is taken to be used for a particular purpose or in a particular manner if either:

- it is maintained ready for that use and is not used for another purpose, and its use had not been abandoned
- its use has temporarily ceased because of construction or repairs, or seasonal or climatic conditions.

'Your area' is not accepted as being used to produce assessable income:

- if it is a building (other than a hotel building or apartment building) used or for use wholly or mainly for exhibition or display in connection with the sale of all or part of any building, where construction began after 17 July 1985 but before 1 July 1997; if construction began after 30 June 1997, buildings that are used for display are eligible
- if it is a building where construction began after 19 July 1982 and before 18 July 1985 and it is used wholly or mainly for either:
 - in association with, residential accommodation

- exhibition or display in connection with the sale of all or part of any building, or the lease of all or part of any building for use wholly or mainly for, or in association with, residential accommodation and is not a hotel or apartment building or an extension, alteration or improvement to such a building
- to the extent the building (other than a hotel building or an apartment building) is for use mainly for, or in association with, residential accommodation, by the fund or an associate; see [subsection 43-170\(2\)](#) of the ITAA 1997 for exceptions to this rule.

'Your area' is taken to be used wholly or mainly as, or in association with, residential accommodation if it is either:

- property (other than a hotel building or apartment building) and is part of an individual's home
- a building (other than a hotel building or apartment building) where construction began after 19 July 1982 and before 18 July 1985 and that is used or for use, wholly or mainly for the purpose of operating a hotel, motel or guest house. Thus a hotel, motel or guest house, for which construction began during the specified time, and which does not qualify as a hotel building or apartment building (for example, because it has fewer than 10 bedrooms or apartments) does not qualify for a deduction under Division 43.

Special rules for hotel and apartment buildings are contained in [section 43-180](#) of the ITAA 1997.

Calculation and rate of deduction

A fund's entitlement to a deduction begins on the date the building is first used to produce assessable income after construction is completed. The first and last years of use may be apportioned. The entitlement to a deduction runs for either 25 or 40 years (the limitation period) depending on the rate of deduction applicable.

The legislation contains 2 calculation provisions:

- [section 43-215](#) of the ITAA 1997, deduction for capital works which began before 27 February 1992
- [section 43-210](#) of the ITAA 1997, deduction for capital works which began after 26 February 1992.

Capital works begun before 27 February 1992 and used as described in table 43-140 of the ITAA 1997

Calculate the deduction separately for each part of capital works that meets the description of 'your area'. The applicable rate is either 4% if the capital works began after 21 August 1984 and before 16 September 1987, or 2.5% in any other case.

The amount of the deduction may be reduced in certain circumstances. This includes where your area was used only partly for the purpose of producing assessable income.

The amount the fund claims can't exceed the undeducted construction expenditure.

Capital works begun after 26 February 1992

Calculate the deduction separately for each part of capital works that meets the description of 'your area'. There is a basic entitlement to a rate of 2.5% for parts used as described in [Table 43-140](#): Current year use. The rate increases to 4% for parts used as described in [Table 43-145](#): Use in the 4% manner.

The amount of deduction may be reduced in certain circumstances, including where your area was used only partly for the purpose of producing assessable income.

The amount the company claims can't exceed the undeducted construction expenditure.

Undeducted construction expenditure

The undeducted construction expenditure for your area is the part of your construction expenditure that remains to write off. It is used to work out:

- the number of years in which the fund can deduct amounts for construction expenditure
- the amount that the fund can deduct under [section 43-40](#) of the ITAA 1997 if your area or a part of it is destroyed.

The methods for calculating undeducted construction expenditure are included in sections [43-230](#), [43-235](#) and [43-240](#) of the ITAA 1997.

Balancing deduction on destruction

If a building is destroyed in the circumstances described in section 43-40 of the ITAA 1997 during an income year, you can claim a deduction for the remaining amount of undeducted construction expenditure that has not yet been deducted, less any compensation received. This applies even if the destruction or demolition is voluntary.

You can claim the deduction in the income year in which the destruction occurs. The deduction is reduced if the capital works are used in an income year only partly for the purpose of producing assessable income.

The method statement for calculating the amount of the balancing deduction is included at [section 43-250](#) of the ITAA 1997. For more information, see [TR 97/25](#) *Income tax: property development: deduction for capital expenditure on construction of income producing capital works, including buildings and structural improvements*.

For more information, see:

- [Capital works deductions](#)
- Taxation Ruling [TR 2007/9](#) *Income tax: circumstances when an item used to create a particular atmosphere or ambience for premises used in a cafe, restaurant, licensed club, hotel, motel or retail shopping business constitutes an item of plant*.

Return to:

- [Appendixes for the fund tax return](#)
- [Instructions to complete the fund income tax return 2024](#)

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Appendix 2: Responsibilities of trustees

Use Appendix 2 for information about the responsibilities of trustees in the preparation of the fund income tax return.

Last updated 2 July 2024

The following summary represents only a small number of the special responsibilities trustees have in the preparation of the *Fund income tax return 2024*:

- The fund must have a governing trust deed or a constituent document.
- The fund must ensure that all assets are in the name of the trustee of the fund.
- The superannuation fund must elect to become a regulated fund under the SISA and be a complying fund in order to receive tax concessions. A notice of compliance is not required to be given to a fund for every year of income. The trustee must retain a notice of compliance when issued for a previous income year. A notice of compliance given in relation to a year of income will be effective for that year and all subsequent years until such time, if any, as a notice of non-compliance is given to the fund.
- If the fund operates under a substituted accounting period (SAP), the fund must maintain records indicating that the Commissioner has approved the SAP.
- If a capital gains tax (CGT) event has happened to a CGT asset that the fund acquired before 1 July 1988, the fund must keep records of the market value or the original cost used for the cost base at 30 June 1988.
- The fund must keep separate records of private company dividends, certain trust distributions or other non-arm's length income.
- The fund must keep records of all foreign source income and calculation of the foreign income tax offset.
- In relation to contributions, the fund must keep records of
 - contributions received from employers and employees or depositors
 - rollover notifications to verify untaxed elements where rollovers are received.
- The fund must keep records of how contributions excluded from income are determined. If pre 1 July 1988 funding credits are

claimed, the fund must obtain a notice under section 342 of the SISA or keep evidence that the notice has been sought.

- The fund must keep records of notices received excluding member or depositor contributions. If the contributions tax liability is transferred, the fund must obtain evidence in writing of an agreement signed by the transferor and the transferee.
- In relation to deductions, the fund must keep records of expenditure and to what income it relates.
- If premiums for death and disability cover are claimed, where relevant, the fund must keep a copy of the insurance policy or actuarial certificate.
- If a future service element deduction is claimed, the fund must keep evidence of the calculation and full details of the relevant superannuation lump sum benefit.

In addition to the above documentation used in the preparation of this tax return, trustees also have the responsibility under the SISA for maintaining documentation after lodging the tax return.

Trustees must keep the following records for a minimum of 5 years:

- accurate and accessible accounting records that explain the transactions and financial position of the fund
- an annual income statement and an annual statement of the fund's financial position
- copies of all tax returns lodged.

Trustees must keep the following records for a minimum of 10 years:

- minutes of trustee meetings and decisions (where matters affecting the fund were discussed)
- records of all changes of trustees, including all changes of directors of any corporate trustee
- an individual's written consent to be appointed as a trustee of the fund, or as a director of the corporate trustee
- copies of all reports given to members.

Return to:

- [Appendixes for the fund tax return](#)

- [Instructions to complete the fund income tax return 2024](#)

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Appendix 3: Rates of tax

Appendix 3 provides the rates of tax that apply to super funds, approved deposit funds and pooled super trusts.

Published 30 May 2024

Superannuation funds certified by APRA as complying

Details	Rate
Assessed on income, including realised capital gains and taxable contributions received	15%
Assessed on non-arm's-length income, for example, private company dividends (including non-share dividends) unless the amount is consistent with an arm's length dealing; see item 10 – label U Net non-arm's length income :	45%

Funds that were a foreign superannuation fund in the prior year

Details	Rate
Assessed on income, including realised capital gains, taxable contributions and net previous income (assets less member contributions)	15%

Superannuation funds not certified by APRA as complying

Details	Rate
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Funds that were complying in the prior year Assessed on income, including realised capital gains, taxable contributions received and any net previous income (assets less non-concessional contributions)	45%
Funds that were not complying in the prior year Assessed on income, including realised capital gains and taxable contributions received	45%
Australian superannuation fund which was a foreign superannuation fund in the prior year Assessed on income, including realised capital gains, taxable contributions and net previous income (assets less member contributions)	45%

Superannuation funds other than exempt public sector superannuation schemes that have not elected to be regulated under the *Superannuation Industry (Supervision) Act 1993*

Details	Rate
Assessed on income, including realised capital gains and taxable contributions received	45%

ADFs certified by APRA as complying with ADF conditions

Details	Rate
Assessed on income, including realised capital gains and certain rollover deposits	15%
Assessed on non-arm's-length income, for example, private company dividends (including non-share dividends) unless the amount is consistent with an arm's-length dealing; see U Net non-arm's length income, item 10	45%

ADFs not certified by APRA as complying with ADF conditions

Details	Rate
Assessed on income, including realised capital gains and certain rollover deposits	45%

Unit trusts certified by APRA as complying with conditions for PSTs

Details	Rate
Assessed on income, including realised capital gains and any liability attached to tax deductible contributions transferred from investing funds	15%
Assessed on non-arm's-length income, for example, private company dividends (including non-share dividends) unless the amount is consistent with an arm's-length dealing; see U Net non-arm's length income, item 10	45%

No-TFN-quoted contributions that are included in assessable contributions

Details	Rate
For superannuation funds certified by APRA as complying with superannuation fund conditions, an additional tax rate of 32% applies to contributions received that were for a member who has not quoted a TFN.	32%
For superannuation funds not certified by APRA as complying with superannuation fund conditions, an additional tax rate of 2% applies to contributions received that were for a member who has not quoted a TFN.	2%

Return to:

- [Appendixes for the fund tax return](#)
- [Instructions to complete the fund income tax return 2024](#)

Continue to: [Legal references and tax rulings](#)

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Legal references and tax rulings

Find supporting legal references and tax determinations and rulings to help you complete the fund income tax return.

Published 30 May 2024

Legislative references

Supporting legal references are available on our legal database or external webpages and include:

- [A New Tax System \(Australian Business Number\) Act 1999](#) 
- [Income Tax Assessment Act 1936](#)
- [Income Tax Assessment Act 1997](#)
- [Income Tax Assessment \(1936 Act\) Regulation 2015](#)
- [Income Tax Assessment Regulations 1997](#)
- [Income Tax \(Transitional Provisions\) Act 1997](#)
- [Legislative instrument registered on the Federal Register of Legislation](#) 
- [National Rental Affordability Scheme \(Consequential Amendments\) Act 2008](#) 
- [New International Tax Arrangements \(Managed Funds and Other Measures\) Act 2005](#) 
- [New International Tax Arrangements \(Foreign-owned Branches and Other Measures\) Act 2005](#) 
- [Small Superannuation Accounts Act 1995](#)
- [Superannuation Industry \(Supervision\) Act 1993](#)

- [Superannuation Industry \(Supervision\) Regulations 1994](#)
- [Superannuation Legislation Amendment Act \(No. 4\) 1999](#)
- [Taxation Administration Act 1953](#)
- [Taxation Administration Regulations 1976](#)
- [Taxation Administration Regulations 2017](#)
- [Tax Laws Amendment \(Taxation of Financial Arrangements\) Act 2009](#)

Tax determinations and rulings

Supporting tax determinations and rulings are available on our legal database and include:

- Taxation Ruling [TR 2010/1](#) *Income tax: superannuation contributions*
- Law Companion Ruling [LCR 2019/1](#) *The business continuity test – carrying on a similar business*

Return to: [Instructions to complete the fund income tax return 2024](#)

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