

How to complete a *Rollover benefits statement*

Use these instructions to complete a
Rollover benefits statement (NAT 70944-03.2013).



Use this version of the form (NAT 70944-03.2013) only for payments made on or after **1 July 2013**. If you need to correct an error regarding a payment made **before** 1 July 2013, use NAT 70944-05.2007.



For more information visit ato.gov.au

OUR COMMITMENT TO YOU

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

If you follow our information in this publication and it turns out to be incorrect, or it is misleading and you make a mistake as a result, we must still apply the law correctly. If that means you owe us money, we must ask you to pay it but we will not charge you a penalty. Also, if you acted reasonably and in good faith we will not charge you interest.

If you make an honest mistake in trying to follow our information in this publication and you owe us money as a result, we will not charge you a penalty. However, we will ask you to pay the money, and we may also charge you interest. If correcting the mistake means we owe you money, we will pay it to you. We will also pay you any interest you are entitled to.

If you feel that this publication does not fully cover your circumstances, or you are unsure how it applies to you, you can seek further assistance from us.

We regularly revise our publications to take account of any changes to the law, so make sure that you have the latest information. If you are unsure, you can check for more recent information on our website at ato.gov.au or contact us.

This publication was current at **March 2013**.

➤ MORE INFORMATION

For copies of our publications or for more information:

- visit our website at ato.gov.au
- phone us on **13 10 20**
- write to us at:

Australian Taxation Office
PO Box 3100
PENRITH NSW 2740

If you do not speak English well and need help from the ATO, phone the Translating and Interpreting Service on **13 14 50**.

If you are deaf, or have a hearing or speech impairment phone the ATO through the National Relay Service (NRS) on the numbers listed below:

- TTY users, phone **13 36 77** and ask for the ATO number you need.
- Speak and Listen (speech-to-speech relay) users, phone **1300 555 727** and ask for the ATO number you need.
- Internet relay users, connect to the NRS on relayservice.com.au and ask for the ATO number you need.

WHO SHOULD USE THESE INSTRUCTIONS?

Use these instructions if you are a superannuation provider or administrator, or other agent authorised by a provider, to help you complete the *Rollover benefits statement* (NAT 70944).

A super provider is the trustee of a super fund or approved deposit fund, or the retirement savings account (RSA) provider.

⚠ When we say 'super fund' we are referring to all super providers.

You should also use these instructions if you choose not to use our form to provide a rollover benefits statement (RBS) and are developing your own form to give the same information.

⚠ Penalties apply if you make a statement in an RBS that is false or misleading. For more information refer to *Superannuation and false or misleading statements which do not result in a shortfall amount* on our website ato.gov.au

WHEN TO USE AN RBS

Using the 2013 RBS

Use this version of the form only for payments occurring on or after 1 July 2013. For payments occurring between 1 July 2007 and 30 June 2013 refer to the previous version of the *Rollover benefits statement* (NAT 70944-05.2007) and the previous version of the instructions *How to complete a rollover benefits statement* (NAT 70945-05.2007). After 1 July 2013 you **must only** use the previous version of the RBS form to correct any errors in relation to payments made before 1 July 2013.

Statements to receiving funds

You generally must use the RBS when you pay a rollover superannuation benefit to another super fund and you are not already providing all of this information electronically under the *Superannuation Data and Payment Standards 2012* (the rollover data standard).

⚠ Check that the rollover data standard does not apply before using the RBS. For more information about the data standard refer to *APRA regulated funds – a new standard for rollovers and contributions* on ato.gov.au

Statements to members

If you give a statement to the receiving fund, using either the RBS or an electronic statement using the data standard, you **must** give the statement to your member within 30 days of the rollover payment. Use the RBS, or a similar form you create that includes the same information.

⚠ Use the current RBS (NAT 70944-03.2013) to give a statement to your member.

Types of payments that require an RBS

A rollover superannuation benefit is defined in the *Income Tax Assessment Act 1997* (ITAA 97). It includes most rollovers and transfers, as defined in the *Superannuation Industry (Supervision) Act 1993*.

The following are examples of payments where you must provide the receiving fund with an RBS if you are not already providing **all** of the same information electronically using the data standard:

- When you roll over all or part of your member's super while your member is in the contributions phase, if they choose to have all or part of their super interest rolled over to another super fund.
- When you roll over all or part of your member's super to a super plan with another fund from which an income stream will be paid (for example, when they move from an accumulation phase in your fund to a pension phase in another).
- When you roll over a lump sum for your member after they have satisfied a condition of release, if they chose to move their benefits to another super fund.
- When you transfer benefits from your member's super account to their spouse's super account with another fund after accepting an application for contributions splitting or under a family law obligation.
- You transfer a lump sum payment to another super fund when a pension reverts from your member to their spouse following the member's death and the benefit is made after the expiration of a certain period of time as specified in the ITAA 97.
- When you are the trustee of a non-complying fund and are paying member benefits to another super fund – see 'Section D: Non-complying funds' in these instructions.

Types of payments that don't require an RBS

When you move an amount from one super plan to a different super plan held by the same trustee (or RSA provider), you don't need to provide an RBS as there is only one trustee involved.

The following are examples of payments where you don't need to provide the receiving fund with an RBS or an electronic statement using the data standard:

- When you pay death benefits to a dependant of your deceased member if the dependant asks that this be paid directly to their own super fund, this payment is considered to be a benefit payment to the dependant that then becomes a personal contribution to their own fund.
- When you make a payment to your member under a condition of release because of a terminal medical condition this is a benefit payment to the member that then becomes a new contribution to the new fund.

Statement by non-complying funds

If your fund is non-complying, you must provide an RBS if you make a payment to another super fund (including another non-complying fund). You must do this regardless of these payments not being rollover super benefits. For more information see 'Section D: Non-complying funds' in these instructions. You do not need to complete section C of the RBS.

COMPLETING THE RBS

If your member asks you to rollover parts of their super to more than one fund, you must complete separate fund and member statements for each rollover payment.

SECTION A: RECEIVING FUND'S DETAILS

Complete all the details of the super fund and product you are paying the rollover to, including their Australian business number (ABN) and the Unique Superannuation Identifier (USI).

If you are a trustee of an APRA regulated fund, the Fund validation service (FVS) will provide details of the receiving fund where the receiving fund is an APRA regulated fund.

At label 4b Member client identifier provide the member client identifier used by the receiving fund to uniquely identify their member. Some funds include the member's account number in the member client identifier.

If the fund does not have a USI or a member client identifier or your reasonable efforts have been unable to obtain this information, the label may be left blank.

When your member's super is transferred to the super account of another person (usually their spouse), provide the member client identifier for the receiving member (that is, the details of the spouse of your member). This transfer usually occurs after you accept an application for contributions splitting or under a family law obligation.

SECTION B: MEMBER'S DETAILS

Provide the following information about the member you are rolling over the payment for:

- full name
- date of birth
- sex
- residential address.

You must give this information to the receiving fund unless you do not have the information. For example, if you only hold a postal address for the member then you need to leave the residential address blank.

- ! You must provide the member's tax file number (TFN) on the RBS unless one of the following exceptions apply:
 - You do not hold a TFN for the member.
 - The member has requested in writing that you not provide their TFN to the receiving fund.

If you aren't providing their TFN, you should explain to the member that there are significant consequences for them and the receiving super fund, including:

- the receiving fund not being able to accept their member contributions, such as personal contributions, super co-contributions or low income super contributions (LISC)
- having to pay additional tax on some contributions, such as employer contributions.

SECTION C: ROLLOVER TRANSACTION DETAILS

- ! Do not complete section C if you are a trustee of a non-complying fund.

12 Service period start date

The service period start date is usually either:

- the first day of the first period of employment that the lump sum relates to if the member was employed when some or all of the lump sum accrued
- the earlier of the following if the member was not employed when some or all of the lump sum accrued
 - the date when the member joined your fund
 - if the lump sum is attributable to an earlier lump sum previously rolled over, the first day of the service period of the earlier lump sum.

13 Tax components

Complete the following labels:

- Tax-free component
- KiwiSaver tax-free component
- Taxable component which may include both the
 - element taxed in the fund
 - element untaxed in the fund
- Tax components total.

The sum of the four tax components must be equal to the tax components total. The amount of the tax components total must be equal to the amount of the rollover being paid.

⚠ Make sure you apply the proportioning rule to the tax components if you are not rolling over the member's full interest in your superannuation fund.

➤ For more information about the proportioning rule and how to calculate tax components for the RBS refer to Taxation ruling 2010/1 example 10 and *How to report contributions that you roll over – self managed superannuation funds* on our website ato.gov.au

The tax components help the receiving fund work out the amount of income tax the member will be liable for when they are paid a benefit from the amounts being rolled over.

The tax-free component consists of the crystallised and contributions segments of the rollover benefit and the taxable component is the remainder of the non-KiwiSaver amount.

You must maintain a record of any KiwiSaver amounts either paid directly from New Zealand under the Trans-Tasman retirement savings portability arrangements or paid to you by another super fund in a previous rollover transaction.

The KiwiSaver tax-free amount is the entire KiwiSaver amount excluding any part of the contribution the member has previously shown to be a returning Australian-sourced amount – which is generally an amount that was previously received by a participating KiwiSaver scheme from an Australian super provider and was originally accrued in an Australian complying super fund.

⚠ A KiwiSaver amount cannot be rolled over to a self-managed super fund (SMSF).

➤ For more information about the tax and super rules for amounts paid from New Zealand, refer to ato.gov.au

Rollovers from unfunded schemes

An element untaxed in the fund only arises in rollovers from certain unfunded schemes, usually public sector super funds. This element cannot exceed the untaxed plan cap for the particular financial year. The cap is \$1,315,000 for 2013–14.

If you are rolling over an amount from an unfunded scheme, you must withhold from any amount in excess of the cap at the top marginal tax rate plus the Medicare levy and remit that amount to us. You then add the amount that remains after the tax is withheld to the tax-free component of the rolled over amount.

The cap is indexed each financial year.

➤ For the untaxed plan cap amount for any given financial year refer to *Key superannuation rates and thresholds* on our website ato.gov.au

EXAMPLE

On 6 January 2014 John asked his unfunded super scheme to roll over his super interest of \$1.5 million, being an element untaxed in the fund. The untaxed plan cap for 2013–14 is \$1,315,000. Because the rollover exceeds \$1,315,000, the scheme withheld tax of \$86,025 which is 46.5% of the \$185,000 in excess of the \$1,315,000 cap.

The scheme then rolled over the remaining entitlement of \$1,413,975 (\$1.5 million less tax withheld of \$86,025) and reported the following amounts on the RBS to the receiving fund with the payment:

- a tax-free component of \$98,975
- an element untaxed in the fund of \$1,315,000.

14 Preservation amount

Complete the following labels:

- Preserved amount
- KiwiSaver preserved amount
- Restricted non-preserved amount
- Unrestricted non-preserved amount
- Preservation amounts total.

⚠ The sum of the four preservation amounts must be equal to the preservation amounts total. The preservation amounts total must equal the amount of the rollover being paid.

SECTION D: NON-COMPLYING FUNDS

Only complete section D if you are a trustee of a non-complying fund and are paying member benefits to another super fund, including another non-complying fund.

At this label you include the amount of all contributions made for your member on or after 10 May 2006 to the fund when it was non-complying. The amount you include in section D is reported by the receiving fund as personal contributions for the member in their fund's SMSF annual return or member contributions statement.

EXAMPLE

XYZ Family Super was established in July 2004 as a non-complying fund and, for its member Paul, received contributions of \$150,000 between July 2004 and December 2013. Paul's accrued benefits were then transferred out to AASuper (a complying fund). Of the amount transferred \$50,000 were contributions made for Paul on or after 10 May 2006.

Paul, as trustee for XYZ Family Super, prepares an RBS to accompany the transfer. He completes section D of the RBS with the amount of \$50,000. For the contributions standard AASuper treats the whole amount transferred as a member contribution but it uses the information on the RBS to prepare a member contributions statement that reports this as a personal contributed amount. We then count \$50,000 against Paul's non-concessional cap.

If you are a trustee of a SMSF which changed status to complying at the beginning of the income year, you do not complete section D – use section C only.

You report all contributions made for the member on or after 10 May 2006 when your SMSF was non-complying, in your SMSF annual return in the first year that your SMSF becomes complying. Contributions made in the current income year after your SMSF became complying and included in the transfer are also reported in your SMSF annual return in the first year that your SMSF becomes complying.

SECTION E: TRANSFERRING FUND

As the payer of the rollover, provide your accurate and complete details in section E, including your ABN and contact details.

SECTION F: DECLARATION

There are two alternative declarations. Use the first declaration if you are the trustee of the transferring fund. Use the second declaration if you have been authorised to act as an agent for the trustee in completing the RBS. Print your full name, then sign and date the declaration.

⚠ Before you sign the declaration, check that you have provided true and correct information. Penalties may be imposed for giving false and misleading information.

WHERE TO SEND AN RBS AND TIME LIMITS

⚠ You do not send a copy of the statement to the ATO.

If the rollover data standard **does not apply** to the transaction you must do all of the following:

- Send the statement to the receiving fund within seven days of paying them the rollover.
- Provide a copy of the statement to your member within 30 days of paying the rollover to the receiving fund.
- Keep a copy of the statement in your records for a period of five years.

If the rollover data standard **does apply** to the transaction, you must do all of the following:

- Comply with the requirements of the data standard for the fund-to-fund interaction (do not send the RBS form to the receiving fund).
- Use the RBS only to provide a statement to the member in section B within 30 days of paying the rollover.
- Keep a copy of the member statement in your records for a period of five years.