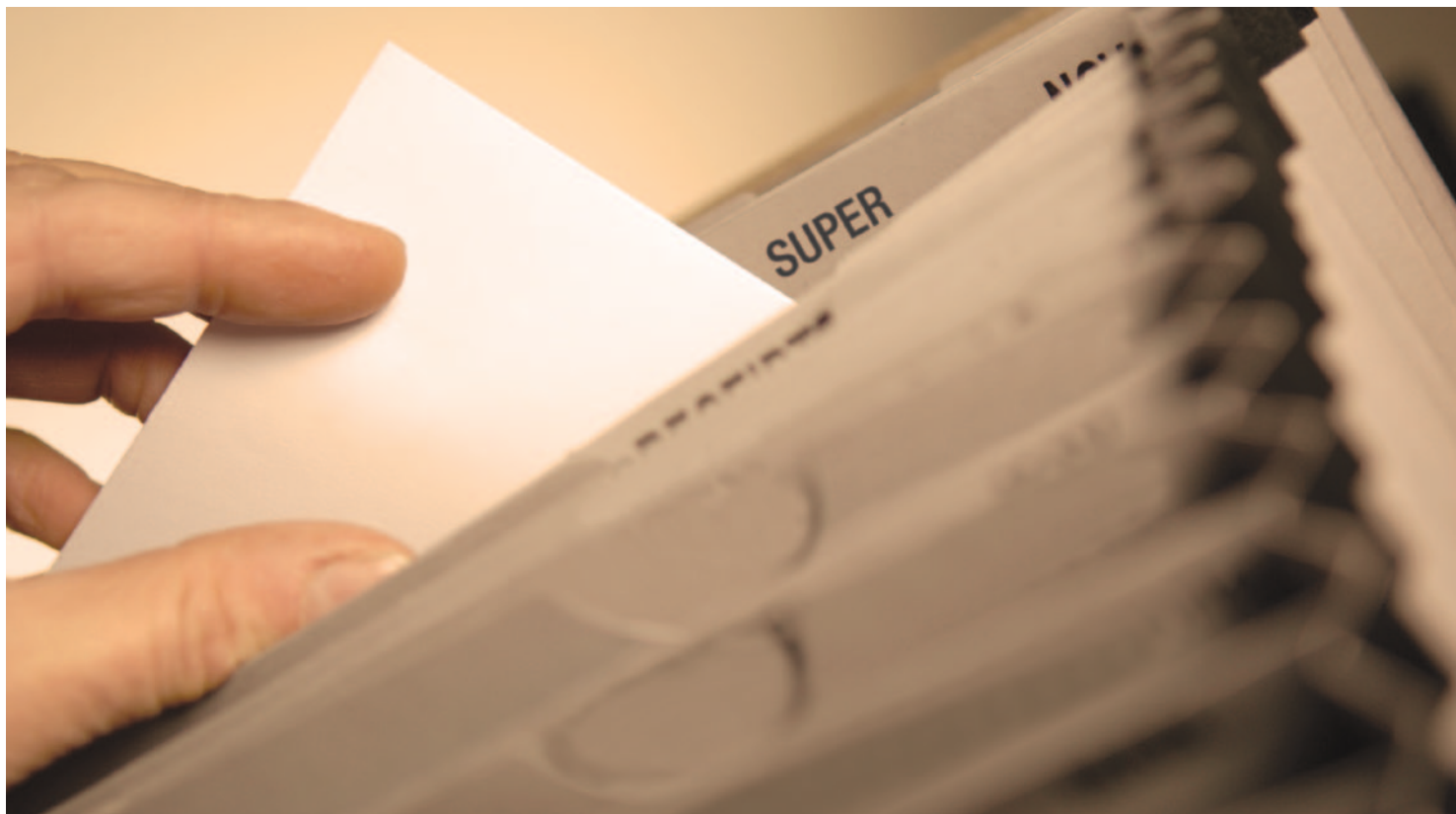


# Winding up a self-managed super fund

What you need to know



## 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 misleading, and you fail to comply with the law as a result, we must still apply the law correctly. However, we will take the fact that you followed our information into account when deciding what action, if any, we should take.

If you make an honest mistake in trying to follow our information in this publication and you fail to comply with the law as a result, we will take the reason for the mistake into account in deciding what action to take.

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 [www.ato.gov.au](http://www.ato.gov.au) or contact us.

This publication was current at **August 2012**.

## Commissioner's foreword

Winding up your self-managed super fund (SMSF) is the final stage of running your fund. As a trustee, you have certain responsibilities that you need to meet once you decide to wind up your SMSF.

It is important to make sure that all the fund's assets have been dealt with and that you meet all your reporting and administrative obligations.

One of these obligations is to let us know when your fund is being wound up. As the regulator of SMSFs, we need to know within 28 days of your fund being wound up.

Some other key activities you need to do include:

- dealing with members' benefits as required by the super laws and the trust deed of the fund
- arranging a final audit of the fund
- completing your reporting obligations with us and paying any remaining liabilities.

If you need help with winding up your fund, you can contact us for advice about what you need to do.



**Michael D'Ascenzo**  
Commissioner of Taxation



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## Winding up your SMSF

As a trustee, you have some responsibilities if you decide to wind up your SMSF.

Winding up an SMSF requires dealing with all of the fund's assets so that none remain, and completing all of the reporting and other administrative obligations as a trustee.

## Why trustees wind up SMSFs

Some common reasons why people wind up their SMSFs are:

- The trustees' circumstances have changed in a way which has affected their capacity to effectively manage their fund. The laws and regulations governing SMSFs are complex, and the effective management of fund investments requires time and expertise, which the trustees may find they do not have.
- All the members and trustees have left the SMSF (for example, they may have transferred their benefits to another fund or have passed away).
- The fund has paid the members all of their benefits.
- One or more of the SMSF trustees have relocated overseas. An SMSF must meet the definition of a 'resident regulated superannuation fund' so the decision to continue as a trustee of an SMSF while not residing in Australia should be made very carefully.
- There is an insufficient balance of funds in the SMSF to meet the ongoing costs of operating the SMSF.

➤ **For more information about residency requirements, refer to *Setting up a self-managed super fund* (NAT 71923).**

## Dealing with benefits

To pay benefits to a member when you wind up your SMSF, they must meet a 'condition of release' allowing them to access their benefits. If the member does not meet a condition of release or does not want to access their benefits at the time the fund winds up, the benefits will need to be rolled over to another complying super fund.

➤ **For more information about meeting a condition of release, refer to *Running a self-managed super fund* (NAT 11032).**

## Relationship breakdowns

The breakdown of a relationship between one or more members of your SMSF may affect the ability of members to effectively undertake their trustee/member obligations. If a member chooses to leave your SMSF as a result of a relationship breakdown their benefits must be rolled over to another complying super fund. Your SMSF does not have to be wound up; however, it may need to be restructured to continue to meet the definition of an SMSF.

➤ **For more information about restructuring your SMSF, refer to:**

- ***Setting up a self-managed super fund* (NAT 71923)**
- ***Running a self-managed super fund* (NAT 11032).**

## What you must and must not do

Do	Do not
<p>Read your super fund's trust deed, as it may contain vital information about winding up your fund.</p>	
<p>Phone us on <b>13 11 42</b> to find out the balance of any accounts we hold for your fund.</p> <p>You will need to pay any remaining liabilities or request refunds where they are due. You can also ask about the status of activity statements.</p>	
<p>Make sure that all activity statements are up to date.</p>	<p>Cancel your Australian business number (ABN) – we will do this for you.</p>
<p>Make sure that all assets and member contributions have been dealt with as required by the super laws and trust deed.</p>	
<p>Have an audit conducted by an approved auditor for your fund for the income year.</p> <p>When you are winding up your fund, you still need to have an audit completed before you can lodge your SMSF annual return.</p>	
<p>Lodge the fund's final SMSF annual return and answer all questions about the fund's wind up:</p> <ul style="list-style-type: none"> <li>■ Was the fund wound up during the income year? Answer 'yes'.</li> <li>■ On what date did the fund wind up? Provide a date between 1 July and 30 June of the income year.</li> <li>■ Have all tax lodgment and payment obligations been met?</li> </ul>	<p>Assume that lodging a final SMSF annual return and reporting wind up information is the last contact you may need to have with us. You need to finalise all lodgment and payment obligations before you can wind up. Records must be kept for five years.</p>
<p>Notify us in writing within 28 days of the fund being wound up. You need to tell us:</p> <ul style="list-style-type: none"> <li>■ the name of your SMSF</li> <li>■ the ABN of your SMSF</li> <li>■ a contact person, including their name, phone and fax number</li> <li>■ the date the fund was wound up.</li> </ul> <p>Send this information to:</p> <p><b>Australian Taxation Office</b>  <b>PO Box 3578</b>  <b>ALBURY NSW 2640</b></p>	<p>Close your bank accounts until all expected final liabilities have been settled and requested refunds are received. Tax liabilities (including the final SMSF levy) can be prepaid or paid with lodgment of the SMSF annual return.</p>

**!** Phone us on **13 10 20** if you have any questions about other super matters, including the super co-contribution, SMSF annual returns or the super guarantee charge.

## Confirming your fund has been wound up

You will receive written notification from the Australian Business Register when your SMSF's ABN has been cancelled.

It is important to wind up your fund correctly. If you have not met all of your obligations, your fund may be selected for a compliance investigation and, as a trustee, you may be subject to penalties.

## Reporting obligations: members' benefits

If...	Complete a...	Then you must...	More information
You are moving funds to another complying super fund	<i>Request to transfer whole balance of superannuation benefits between funds</i> (NAT 71223)	<ul style="list-style-type: none"> <li>■ Send the form with <b>certified</b> proof of identity documents to either fund. Do not send a copy to us.</li> <li>■ Keep a copy for five years.</li> </ul>	This form can be used by <b>members</b> to request the transfer of all of their super benefits in the fund.
	<i>Rollover benefits statement</i> (NAT 70944)	<ul style="list-style-type: none"> <li>■ Send a statement to the 'receiving super provider' within seven days after the day the rollover benefit is paid.</li> <li>■ Send a copy of the statement to the member within 30 days after the day the rollover benefit is paid. Do not send the statement to us.</li> <li>■ Keep a copy of the statement for five years.</li> </ul>	This form is completed by <b>trustees</b> of the fund. Refer to <i>How to complete a Rollover benefits statement</i> (NAT 70945).
Any eligible members have accessed their benefits as a lump sum	<i>PAYG payment summary – superannuation lump sum</i> (NAT 70947)	<ul style="list-style-type: none"> <li>■ Send us a copy as part of your PAYG withholding payment summary annual report by 14 August following the end of the financial year the report refers to.</li> <li>■ Provide the recipient their copy of the payment summary within 14 days of the super lump sum payment being made.</li> <li>■ Keep the payer copy of the payment summary for five years.</li> </ul>	Refer to <i>How to complete the PAYG payment summary – superannuation lump sum form</i> (NAT 70946).
A pension or annuity was paid and the recipient had tax withheld	<i>PAYG payment summary – superannuation income stream</i> (NAT 70987)	<ul style="list-style-type: none"> <li>■ Provide the recipient their copy of the payment summary by 14 July following the end of the financial year you made a payment in.</li> <li>■ Send us a copy as part of your PAYG withholding payment summary annual report by 14 August following the end of the financial year you made the payments in.</li> <li>■ Keep the payer copy of the payment summary for five years.</li> </ul>	Refer to <i>How to complete the PAYG payment summary – superannuation income stream</i> (NAT 70986).
You issued a payment summary	<i>PAYG payment summary statement</i> (NAT 3447)	<ul style="list-style-type: none"> <li>■ Send this form to us by 14 August following the end of the financial year the payment summary refers to with the original payment summaries you issued.</li> <li>■ Keep a copy of this completed form for five years, with the PAYG payer's copy of the payment summaries issued.</li> </ul>	Use this form for the 2008 financial year or later.

**!** There may be capital gains implications on the disposal of assets when you are paying benefits or rolling over benefits to another fund. For more information:

- visit our website at [www.ato.gov.au/cgt](http://www.ato.gov.au/cgt)
- phone us on **13 10 20**.



## Payments you do not need to withhold tax from

You do not need to withhold tax when paying a benefit, if the benefit is:

- from a taxed source being paid as either a super income stream or a lump sum and being received by a member who is 60 years old or over at the time of the payment
- being paid as a lump sum because the member has a certified terminal medical condition.

You do not need to withhold tax or report these payments to us, because these payments are tax-free.

## Reporting obligations: trustee reporting responsibilities

If you need to ...	Complete a ...	Then you must ...	More information
Report member contributions for a pre-2008 financial year (or lodge amendments to that report)	<i>Superannuation member contributions statement</i> (NAT 2710)	Send it to: <b>Australian Taxation Office</b> <b>PO Box 3333</b> <b>PENRITH NSW 2740</b>	Refer to <i>How to complete the Superannuation member contributions statement</i> (NAT 2603).
Report member contributions for post-2007 financial year and lodge post-2007 annual returns	<i>Self-managed superannuation fund annual return</i> (NAT 71226)	Send it to: <b>Australian Taxation Office</b> <b>GPO Box 9845</b> <b>IN YOUR CAPITAL CITY</b>  Pay the supervisory levy (\$150 per year for 2008, 2009 and 2010; \$180 for 2011; \$200 for 2012; and \$191 for 2013 and onwards). This amount is subject to change.	Make sure that question 9: Was the fund wound up during the income year? is completed in full.  Visit <a href="http://www.ato.gov.au">www.ato.gov.au</a> and in the left-hand menu select 'What do you want to do?' – 'Make a payment' – 'How to pay'.

- ❗ If you have appointed an SMSF professional, such as a tax agent, accountant or a fund administrator, to help with managing your SMSF, they may be able to lodge some of this data electronically on your behalf.
- ➔ If you need help lodging any overdue income tax or SMSF annual returns, phone us on **13 10 20**.

### Example

Gerry has an SMSF. Just before Christmas in 2011, he decides to wind up and transfer his benefits to another super fund. Gerry, as the trustee, discovers he has not lodged income tax returns for the 2010, 2011 and 2012 financial years.

Before his fund can be wound up, Gerry needs to:

- have the fund audited for the 2010 and 2011 financial years and organise a final audit for the 2012 financial year
- lodge the *Self-managed superannuation fund annual return* for the 2010 and 2011 financial years
- complete question 9 of the final (2012) SMSF annual return
- allow enough money to pay for
  - audit fees
  - the \$150 supervisory levy for the 2010 financial year
  - the \$180 supervisory levy for the 2011 financial year
  - the \$200 supervisory levy for the 2012 financial year
  - any income tax liabilities due
  - fees to prepare income tax returns and other paperwork due for the 2010, 2011 and 2012 financial years
- complete a *Rollover benefits statement* and send a copy to the fund which receives his transferred benefits.

Gerry can close the bank account of the SMSF when the final liabilities have been settled. We will cancel the SMSF's ABN.

## More information

To obtain a copy of our publications or for more information:

- visit **[www.ato.gov.au](http://www.ato.gov.au)**
- phone us on **13 10 20** between 8.00am and 6.00pm, Monday to Friday
- phone our publication ordering service on **1300 720 092**
- 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 **[www.relayservice.com.au](http://www.relayservice.com.au)** and ask for the ATO number you need.

