

30 March 2022

The Trustees
The Edwell Super Fund
c/- Sam Greco and Co
PO Box 354
Aspley QLD 4034

Dear Trustees,

**Subject: Actuarial Certificate – Tax Exempt Percentage for the 2020/21 year
The Edwell Super Fund**

Thank you for requesting this actuarial certificate from Verus SMSF Actuaries.

Results

We calculate that the tax exempt percentage for The Edwell Super Fund in the 2020/21 financial year is **98.57%**.

There were one or more periods in the financial year when the Fund was entirely in retirement phase and therefore was deemed to be segregated. The tax exempt percentage shown above should only be applied to the investment income earned in the period(s) during which the Fund was *unsegregated*.

More Information

Further details regarding this actuarial certificate are contained in the appendices, including:

- Appendix 1: Data Summary
- Appendix 2: Detailed Results
- Appendix 3: Further Information

Note that the results in this certificate are based on the information provided to us. If there are any material changes to the information provided, please contact us, as the results may need to be updated.

Yours sincerely,



Alfred Au, B.Com, LL.B. (Hons), FIAA
Consulting Actuary

Verus Reference Number: ZA13323525089

Appendix 1 - Data Summary

Contact Details

Name	Sam Greco
Company	Sam Greco and Co
Telephone	07 3263 5200

Fund Details

Fund Name	The Edwell Super Fund
Name of Trustees	Stephen Joseph Edwell
	Hilary Jane Stilling
Tax Year for Actuarial Certificate	2020/21
ABN of Fund	33 174 841 071

Member Details

Members' Names	Stephen Joseph Edwell
	Hilary Jane Stilling

Financial Details

	Amount (\$)
Opening Balance at 1 July 2020	155,978.29
Concessional Contributions	0.00
Non-concessional Contributions	2,230.00
Rollovers-in	0.00
Rollovers-out	0.00
Lump Sum and Pension Benefits Paid	3,900.00
Other Net Income	17,452.74
Closing Balance at 30 June 2021	171,761.03

We understand that the Fund's financial statements have not been audited at the time this certificate has been prepared.

Segregation

The Fund was entirely in retirement phase during the period(s) listed below. During those periods, the Fund has been deemed to be segregated.

The tax exempt percentage shown in this actuarial certificate should only be applied to the investment income earned in the period(s) during which the Fund was *unsegregated*. That is, the periods when the Fund was *not* entirely in retirement phase (i.e. the times during the financial year, *excluding* the period(s) shown below).

Deemed Segregation Period(s):

- From 1 July 2020 to 4 October 2020.

Appendix 2 - Detailed Results

Tax Exempt Percentage

This actuarial certificate has been prepared to provide the tax exempt percentage applying to The Edwell Super Fund for the 2020/21 financial year.

During the 2020/21 financial year, the Fund contained only member accounts in accumulation phase and account based pensions. Therefore no assumptions about future inflation, investment returns or discount rates have been required to calculate the tax exempt percentage. Only data regarding the Fund’s balances in accumulation phase and the Fund’s balances in retirement phase plus details of transactions within, to and from the Fund during the year have been provided for this calculation.

Using the data supplied, we have calculated the tax exempt percentage based on the ratio below:

$$\frac{\text{Average value of current pension liabilities}}{\text{Average value of superannuation liabilities}} = \$153,990 / \$156,220 = 98.57\%$$

The values for the current pension liabilities and the superannuation liabilities shown above are time weighted average balances over the financial year. Segregated current pension assets and segregated non-current assets (if any) have been excluded from the values shown above.

Member Breakdown

To assist you, we have also calculated the breakdown of the tax exempt percentage between the Fund’s members, as follows:

Member Name	Tax Exempt Percentage	Taxable Percentage
Stephen Joseph Edwell	98.57%	1.43%
Hilary Jane Stilling	0.00%	0.00%
Reserve	0.00%	0.00%
Total	98.57%	1.43%

This breakdown between members is not required for the Fund’s tax return, but may assist in other ways, for example with allocating the Fund’s tax liabilities between members.

Appendix 3 - Further Information

Actuarial Standards

This actuarial certificate has been prepared in accordance with Professional Standard 406 of the Institute of Actuaries of Australia.

Other Comments

We have been informed by the trustee and/or their advisors that the relevant pension liabilities meet the requirements to be considered a retirement phase superannuation income stream. We have relied upon this information in preparing this actuarial certificate.

As required under Professional Standard 406, we are satisfied that the value of particular liabilities of the Fund at a particular time as set out in this certificate is the amount of the Fund's assets, together with any future contributions in respect of the benefits concerned and expected earnings on the assets and contributions after that time, that would provide the amount required to discharge those liabilities as they fall due.

Requirement for and Use of Actuarial Certification

This actuarial certificate is required so that the Fund can claim an exemption from tax on the investment income derived from the unsegregated assets supporting members' balances that are in retirement phase. The certificate should be obtained before the Fund submits its tax return. It does not need to be submitted with the Fund's tax return, but should be retained in the Fund's records.

An actuarial certificate is required for a Fund that has been partly in retirement phase and partly in accumulation phase during the year and which is not applying the segregated method throughout the year. Therefore an actuarial certificate is not required if:

- The Fund was entirely in accumulation phase for the whole of the tax year; or
- The Fund was entirely in retirement phase for the whole of the tax year; or
- The Fund's retirement phase assets and accumulation phase assets were fully segregated throughout the tax year.

The tax exempt percentage should be applied to the Fund's assessable income (excluding any non-arm's length income, concessional contributions and any income derived from segregated assets) to determine how much income is exempt from tax.