



MRS WENDY A ARMSTRONG  
SUITE 201  
30 FISHER RD  
DEE WHY NSW 2099

Our reference: 7117489379662  
Phone: 13 10 20  
TFN: 565 495 858

5 August 2020

## You made excess non-concessional (after tax) superannuation contributions in 2018-19

Dear MRS ARMSTRONG

There is a cap on the amount of non-concessional (after tax) contributions you can make to your super each financial year without having to pay extra tax.

In the 2018-19 financial year, you have contributed more than the cap and you need to decide what to do with your excess amounts.

### Your determination

|   |                              |
|---|------------------------------|
| Your Total Superannuation Balance at 30 June 2018               | \$1,030,611.52               |
| Non-concessional contributions cap                              | \$170,107.40                 |
| Non-concessional contributions                                  | \$300,000.00                 |
| Excess non-concessional contributions for this determination    | \$129,892.60                 |
| Excess non-concessional contributions tax ( <b>option 2</b> )   | <b>\$61,049.52</b>           |
| Associated earnings amount                                      | \$26,906.00                  |
| Associated earnings period                                      | 1 July 2018 to 5 August 2020 |
| Associated earnings rate  | 8.96%                        |
| 85% of Associated earnings amount                               | \$22,870.10                  |
| <b>Amount to be released from your super fund(s) (option 1)</b> | <b>\$152,762.70</b>          |

## **Further information**

### **Associated earnings**

The associated earnings amount is calculated on your excess non-concessional contributions amount and is to recognise that the excess amount has benefited from investment in your super fund(s).

For more information about associated earnings, visit our website, **[www.ato.gov.au/associatedearnings](http://www.ato.gov.au/associatedearnings)**

### **Objection rights**

You can write to us and object to the assessment if you disagree with the determination.

For more information about objections, visit our website, **[www.ato.gov.au/objections](http://www.ato.gov.au/objections)**

If you disagree with our decision on your objection you can apply for an independent, external review. When we give you our decision we will let you know if you can apply to the Administrative Appeals Tribunal for a review or appeal to the Federal Court.

## What you need to do

### For most people it is easiest to do nothing.

- We will approach your super fund(s) in order of which has the highest reported account balance at the time. We will ask them to release and send \$152,762.70 to us.

Depending on your account balance, this may result in your **super account(s) being closed and any associated insurance policies being cancelled.**

- We will also amend your 2018-19 income tax assessment to include your associated earnings amount of \$26,906.00. You will pay tax only on your associated earnings at your marginal tax rate and we'll use the money released to pay any tax or Australian government debts and refund any remaining balance to you.
- If you have no money in super, we will amend your 2018-19 income tax assessment to include your associated earnings amount. You will pay tax only on your associated earnings at your marginal tax rate.
- If we have exhausted all amounts from your super accounts and your only super interest left is held in a Defined Benefit Fund and the fund cannot or will not voluntarily release, we will send you an excess non-concessional contributions tax assessment.

Alternatively you can choose one of the following options by **7 October 2020**:

- **Option 1 – Release the excess from your super fund(s)**

Tell us which super fund(s) you would like \$152,762.70 released from.

We will ask your nominated super fund(s) to release and send \$152,762.70 to us. We will also amend your 2018-19 income tax assessment to include your associated earnings amount of \$26,906.00. You will pay tax only on your associated earnings at your marginal tax rate.

- **Option 2 – Release no amount in relation to the excess and be assessed for excess non-concessional contributions tax**

Your excess non-concessional contributions will be taxed at 47% and we will send you an excess non-concessional contributions tax assessment for \$61,049.52.

We will issue your super fund(s) with a release authority to pay your excess non-concessional contributions tax liability of \$61,049.52 and ask them to release and send the amount to us. Advise us which fund(s) you would like this amount released from.

If your nominated fund is unable to release the full amount of your excess non-concessional contributions tax liability we will attempt to release the balance from your other super funds. Where this is not possible, you will need to pay the liability from your own sources.

## How to submit your choice

To release money from your super fund(s) log in to myGov and complete the *Excess non-concessional contributions election form*.

When you complete the election form we will ask your super fund(s) to release the amount you nominated and send the money to us.

If you are not already registered, go to **[www.ato.gov.au/online services](http://www.ato.gov.au/online services)** to register. Alternatively, you can download the form via our website **[www.ato.gov.au/enccelectionform](http://www.ato.gov.au/enccelectionform)** or order the form via our website **[www.ato.gov.au/online ordering](http://www.ato.gov.au/online ordering)** and send it to us.

**Your reported superannuation information:**

| Superannuation fund name          | Superannuation fund ABN | Unique super identifier | Member account identifier | Your reported account balance \$ | Reported on | Insurance |
|-----------------------------------|-------------------------|-------------------------|---------------------------|----------------------------------|-------------|-----------|
| THE ARMSTRONG SUPERANNUATION FUND | 66 464 866 741          |                         | SMSF116147299742          | \$1,408,327.06                   | 30 Jun 2019 |           |

If you disagree with the information your super fund(s) provided to us, you can correct it, go to **[www.ato.gov.au/eccc](http://www.ato.gov.au/eccc)** for more information on how to do this.

**For more information**

Visit our website, **[www.ato.gov.au/supercaps](http://www.ato.gov.au/supercaps)** to find out more. If you have any questions phone **13 10 20** between 8.00am and 6.00pm, Monday to Friday.

Yours sincerely

James O'Halloran  
Deputy Commissioner of Taxation