

## SW Larkman Super Fund

### Superannuation Trust Document Package

Prepared for Reference:952228  
Matter name SMSF set up + register Corporate Trustee  
Prepared by Dean Gibson  
Date downloaded 17 November, 2021 9:30 PM

#### What to do next

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#### You need to arrange for the documents to be signed and the trust established

How to establish the trust is explained in the *Superannuation Fund Establishment Kit*, prepared by Maddocks. The Kit starts on the next page.

#### Questions or further information

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If you have any questions, you can call Cleardocs on 1300 307 343.

**Cleardocs** will answer all your administrative queries. These include, queries about our service, our website, registering as a user, payment or feedback.

**Maddocks** will answer all your questions about the nature, content, use, consequences, drafting and effectiveness of our documents.

## **Superannuation Fund Establishment Kit**

This Kit has been prepared by Maddocks. All the legal information contained in this Kit is provided by Maddocks.

As trustee, or director of the trustee company, you need to complete each of the following steps as part of establishing your fund.

**Is the trustee a company?** If the trustee of your fund is a company, then each of the obligations described in this Kit that apply to trustees apply to you as a director of that company.

### **STEP 1 Responsibilities of being a trustee**

It is important that you understand your responsibilities as trustee of your superannuation fund. Serious penalties may apply if you do not comply with the various laws applying to superannuation.

As a starting point, please read the information on the next few pages under the heading 'YOUR RESPONSIBILITY AS TRUSTEE'.

### **STEP 2 Sign the self managed super fund trustee declaration form and consents**

You need to read and sign the ATO 'Self managed super fund trustee declaration (NAT 71089)' form. This form is contained in your Cleardocs document package.

Each trustee/trustee director must then sign the Trustee Declaration of Non-disqualification and Consent to Act as Trustee. This can be found within the Member Records in your document package.

After you have consented to act as trustee/trustee director, you need to sign the ATO 'Self managed super fund trustee declaration (NAT 71089)' form.

You need to keep the signed form with the fund's records for at least 10 years. You will need to make this form available to the ATO if it ever asks you to.

### **STEP 3 Read the trust deed**

The trust deed is written in 'plain English' to make it easier for trustees to understand. Its provisions enable you to take full advantage of your membership of your fund.

Please read the trust deed and become familiar with it.

All the completed forms required to establish the fund are provided separately – see Steps 4 and 5.

**STEP 4 Provide the APPLICATION TO BECOME A MEMBER and PRODUCT DISCLOSURE STATEMENT to each proposed member**

The Application to become a Member for each member of the fund can be found within the Member Records in your document package.

**STEP 5 Obtain the signed Application to be a Member from the relevant persons**

Each member of the fund must also be a trustee. They must advise their Tax File Number with the application form except where the member is to be a child.

**STEP 6 Hold the first meeting of all trustees**

You need to arrange, and hold, the first meeting of the trustees. At that meeting:

- table the signed Declaration of Non-disqualification and Consent to Act as Trustee; and
- the trustees must pass the resolutions set out in the attached 'Meeting Minutes: Initial Business' and the chair of the meeting must sign and date the minutes.

**STEP 7 Sign the trust deed**

The person or company who will establish the fund and the trustee or trustees will need to sign the deed.

If the trustees are individuals, then all trustees must sign the trust deed.

If an individual is establishing the fund, then he or she must sign the deed.

If the trustee is a company and/or a company will establish the fund, then the deed can be executed by:

- using the company's seal; or
- being signed by any of:
- any 2 directors;
- a director and the company secretary; or
- if the company has only 1 director, that director.

The documents will include execution clauses which are determined according to your answers to certain questions on the Cleardocs site.

If you are uncertain about the requirements for executing legal documents, then please see our FAQ on this on [www.cleardocs.com](http://www.cleardocs.com). Follow the links to 'Resources', then 'Frequently asked legal questions', then 'signing and witnessing documents'. If the FAQ does not resolve your queries, then call the Cleardocs helpline on 1300 307 343 and Cleardocs will put you in touch with a lawyer from Maddocks.

## STEP 8 Submit your deed for stamping, if necessary

Depending on the state or territory in which the deed was executed, you may need to submit the deed for stamping with the relevant revenue office. You should contact the relevant revenue office in your state or territory to check the current requirements:

State/Territory	Revenue office contact details
Victoria	State Revenue Office GPO Box 4389 Melbourne VIC 3001 Ph: 13 21 61 <a href="http://www.sro.vic.gov.au">www.sro.vic.gov.au</a>
Queensland	Office of State Revenue GPO Box 2593 Brisbane QLD 4001 Ph: 1300 300 734 <a href="http://www.osr.qld.gov.au">www.osr.qld.gov.au</a>
New South Wales	Office of State Revenue GPO Box 4042 Sydney NSW 2001 Ph: (02) 9689 6200 <a href="http://www.osr.nsw.gov.au">www.osr.nsw.gov.au</a>
Tasmania	State Revenue Office GPO Box 1374 HOBART TAS 7001 Ph: 03 6166 4400
South Australia	Revenue SA GPO Box 1353 Adelaide SA 5001 Ph: (08) 8226 3750 <a href="http://www.revenuesa.sa.gov.au">www.revenuesa.sa.gov.au</a>
Western Australia	Office of State Revenue GPO Box T1600 Perth WA 6845 Ph: (08) 9262 1100 <a href="http://www.finance.wa.gov.au">www.finance.wa.gov.au</a>
ACT	ACT Revenue Office GPO Box 293 Civic Square ACT 2608 Ph: (02) 6207 0028 <a href="http://www.revenue.act.gov.au">www.revenue.act.gov.au</a>
Northern Territory	Territory Revenue Management GPO Box 154 Darwin NT 0801 Ph: 1300 305 353 <a href="http://www.revenue.nt.gov.au">www.revenue.nt.gov.au</a>

**STEP 9 Advise the ATO**

You need to complete and sign the 'Application for ABN registration for superannuation entities (NAT 2944)' form. You can download a .pdf of that form from <http://www.ato.gov.au/>. Then you need to arrange for the completed and signed Form to be sent to the Australian Taxation Office within 60 days of establishing your fund.

**STEP 10 Formulate an Investment Strategy**

The law requires your fund to have an investment strategy. To develop the strategy for your fund, you can meet with your advisor. The strategy helps you to set your fund's objectives and to plan its future directions. The strategy is an important document that must be audited by your fund's auditor each year. If the Tax Office decides to review your fund, it will pay careful attention to your investment strategy.

**STEP 11 Adopt the Investment Strategy**

Arrange a meeting of all the trustees to adopt the fund's Investment Strategy and sign the minutes accordingly.

## YOUR RESPONSIBILITY AS TRUSTEE

### General overview

The Trustees are responsible for all decisions made in relation to the fund, including its investments and its dealings with other people and service providers. You cannot hand your responsibilities over to anyone else. However, you can authorise others to make decisions on your behalf.

Remember that, like all trustees, you have a responsibility to exercise due care, skill, and diligence in all your duties. This includes transactions in respect of the fund's investments, cash, financial, and members' records.

One of your duties is to ensure that the total value of the fund's assets is not less than the total value of its accrued benefits.

Significant penalties may be imposed on trustees who do not comply with superannuation legislation.

You must also make sure that the assets of your fund, and all of its records, are kept separate from those of the members, or any other person or entity.

### Superannuation legislation

The relevant superannuation legislation includes:

- The *Superannuation Industry (Supervision) Act 1993* and its Regulations (SIS); and
- The *Income Tax Assessment Act 1997*, *Income Tax Assessment Act 1936* and revisions (ITAA).

### Delegating decision-making powers

Trustees may appoint advisors (for example, accountants and financial advisors) to help them make certain decisions about their fund. If you decide to do that, you should enter into formal written agreements with the advisors. Those agreements are to detail the extent of the delegated authority and the reporting and monitoring arrangements in place to enable the trustees to be kept fully informed about the decision-making processes they have delegated.

### Keeping detailed minutes and records

You need to keep detailed records about decisions relating to the fund – whether those decisions are made by the trustees, or by someone to whom they have delegated the task. In particular, the records need to precisely record the fund's assets and cash transactions.

These records are important to demonstrate that the trustees are complying with their legal obligation to be diligent and to take their duties seriously. You should keep the records for at least 10 years.

If the tax office decides to review your fund, it will pay careful attention to your minutes and records.

### **Sole purpose**

Your superannuation fund has been established solely to provide retirement benefits to all of its members. Other ancillary benefits may include providing insurance cover in the event of members' death or total and permanent disability.

### **The trust deed**

The trust deed contains the governing rules of the superannuation fund.

Become familiar with the trust deed, which has been written in plain English.

You are responsible for making sure that the fund is maintained in accordance with the trust deed at all times.

### **Receiving contributions**

The fund may receive contributions in accordance with the provisions of the trust deed and superannuation legislation.

Trustees must ensure that contributions received are correctly recorded and correctly allocated to members' accounts. Contributions cannot be received for anyone who is not a member of the fund.

Contribution receipts should be banked promptly and invested in accordance with the fund's Investment Strategy.

Contributions should only be made and accepted if they are within the annual contribution cap limits set by superannuation law.

### **Benefits**

Benefits must be maintained and can only be paid in accordance with the provisions of the trust deed and superannuation legislation.

Trustees must ensure that accrued benefits are correctly recorded and allocated to members' accounts and that the benefits are preserved in accordance with the trust deed and the superannuation legislation.

A benefit can only be paid to the living member for whom the benefit has been accrued. A death benefit can only be paid to the deceased member's spouse or to those people entitled to receive it. The trustees must comply with a member's death benefit directive if the directive is given in accordance with the superannuation legislation and the trust deed and is binding on the remaining trustees.

### **Fund assets**

The trustees are responsible for the fund's investments. This is a key trustee responsibility.

Trustees must pay particular care to the following:

- that the fund's assets actually exist;
- that the fund's assets are owned by the fund. The assets should be in the name of the fund, or the trustees, on behalf of the fund, which

must have clear title. No other person or entity may have title to the fund's assets;

- That the fund's assets are valued at least once each year and when a member's benefit is paid.

## Investment Strategy

The trustees must determine the fund's investment objective and then develop an Investment Strategy that will be used to achieve those objectives.

The trustees must:

- implement the Investment Strategy;
- regularly monitor the fund's investments and their performance in light of the Investment Strategy;
- keep themselves well informed about the management of the fund's investments and receive regular reports from other service providers who have been appointed to assist the Trustees in investing on the fund's behalf;
- review the Investment Strategy regularly; and
- ensure that the purchase and the sale of the fund's investments are in accordance with the Investment Strategy.

All of the fund's current or proposed investments must be in accordance with the trust deed and in compliance with the provisions of superannuation legislation.

The fund's Investment Strategy must consider 5 main elements:

- the risk associated with making an investment;
- the diversity of all of the fund's investments;
- the liquidity requirements to meet future expenses such as taxation payments;
- the ability of the fund to meet its future liabilities including the payment of benefits to members; and
- whether the fund should hold any contracts of insurance for each of the members.

Trustees must document their decision to invest, on behalf of the fund, after having considered the Investment Strategy and these 5 main elements.

Remember that the Investment Strategy is the fund's 'profit plan'. It is the plan chosen to achieve the fund's objectives. The Investment Strategy must be fluid and should change as the investment marketplace changes, and when important factors change such as when a member joins or departs the fund.



## Reporting

Trustees are required to provide annual reports to:

### 1 The Regulator (Australian Taxation Office for self-managed superannuation funds)

The trustees must lodge an Income Tax Return and an Annual Return in accordance with taxation and superannuation law, by the due date for lodgement, with the ATO.

Before lodging these returns, the trustees must arrange for the fund's financial statements to be audited by an auditor who meets the qualifications required by the superannuation legislation.

### 2 The members

Superannuation law and the *Corporations Act* 2001 requires trustees to provide each member of the fund with information that will enable the member to understand his or her benefit entitlement in the fund.

First, trustees must provide each member and employer admitted to the fund with a Product Disclosure Statement (PDS).

Then, in the course of operating the fund, trustees must meet the continuous disclosure obligations set out in the *Corporations Act*. This requires trustees to make disclosures about matters including:

- i) any material changes to any of the matters previously included in a PDS;
- ii) any significant event that affects the matters previously described in the PDS;
- iii) give periodic statements in each reporting period to the members. In relation to this:
  - the reporting period is the 12 month period from a member's date of admission, and each subsequent reporting period begins on the anniversary of that date (where a member ceases to become a member, the reporting period ends on the cessation date);
  - the periodic statements must contain information about:
    - opening and closing balances for the reporting period;
    - termination value of the investment at the end of the reporting period;
    - a summary of transactions in relation to the member's interest in the fund, identifying the nature and purposes of those transactions;
    - any increases in the amounts contributed in respect of the member;
    - the return on the member's investments and the fund's investments;
    - details in changes in circumstances affecting the member's investments and the fund's investments since the last

periodic statement; and

- the ultimate source from which any Superannuation Contribution Surcharge payments or advance instalments of surcharges will be drawn.
- iv) The members or employers involved in the fund may make requests for information at any time. These requests may concern the types of benefits payable to a member, or the particular investment plan relating to a member. The provisions of the *Corporations Act* require that you deal with any such inquiries within one month of receiving the request.

**Each person must be involved**

As each person who is a director of the trustee is involved in the administration of the fund, it is important to ensure that each of them:

- is fully aware of the fund's operations; and
- has full and open ability to contribute to the fund's management and trusteeship.

## **SUPERANNUATION**

### **Important do's and don'ts for trustees of self-managed superannuation funds**

The superannuation and taxation legislation imposes many complicated restrictions on superannuation fund trustees. The following do's and don'ts are very general and do not delve into the complexities of the legislation.

If you are in any doubt, you should seek specific advice.

#### **These are the main DO's**

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DO treat the fund as being a separate entity.

DO ensure that all the fund's transactions are on an 'arm's length' or commercial basis – regardless of with whom the fund has dealings.

DO ensure that the fund's money is kept in a separate bank account used only for the fund with its name mentioned on the account.

DO ensure that all of the fund's expenses are paid from the fund's banking account by cheque or bank transfer.

DO ensure that you have documents, such as receipts and invoices etc., to record all of the fund's transactions.

DO ensure that all money, received from contributions, interest and dividends from investments etc. are promptly banked directly into the fund's banking account.

DO ensure that all investment transactions are in accordance with the fund's Investment Strategy.

DO review the fund's Investment Strategy regularly.

DO ensure that any life insurance policy is owned and paid for by the fund.

DO ensure that any assets or investments that the fund purchases are paid for by the fund, not by any other person – unless the asset is the type that can be treated as a contribution and is contributed.

DO ensure that the fund's investments are in the name of the trustees on behalf of the fund, and kept separate from the trustees' and members' personal assets.

DO ensure that the fund's assets are valued at 'market value' when preparing accounts and statements for the fund.

DO ensure that you comply with the trust deed in all respects.

DO ensure that you have a policy for the allocation of investment earnings to members' accounts.

DO reconcile the fund's assets to the members' account balances at least annually.

DO ensure that all members receive an annual statement of their benefits.

DO ensure that any directions given by members, including death benefit nominations (binding or non-binding) and death benefit agreements, are maintained up to date.

DO ensure that a record is kept of all trustee decisions.

### **Things that you cannot do**

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The main DON'TS are:

DO NOT allow the fund to borrow money from any person, unless strictly in accordance with the limited recourse borrowing laws.

DO NOT allow the fund's bank account to go into overdraft.

DO NOT borrow money from the fund or use the fund's money to pay for anyone else's expenses.

DO NOT lend, invest or enter into a lease arrangement in respect of more than 5% of the fund's assets with a related party.

DO NOT acquire more than 5% of the fund's assets from a related party unless the asset acquired is business real property, or property that is used wholly and exclusively in the conduct of a business or businesses.

DO NOT accept contributions which exceed the caps for concessional and non-concessional contributions.

DO NOT accept contributions in respect of members who are over 65 years of age except mandated employer contributions or if the member is between 65 and 74 years of age and meets the work test or a work test exemption.

DO NOT accept contributions in respect of members who are over 70 years of age except mandated employer contributions or if the member is between 70 and 74 years of age (inclusive) and meets the work test.

DO NOT accept contributions in respect of members who are over 75 years of age except mandated employer contributions.

### **Any questions?**

If you have any questions about your documents, about establishing your trust, or about superannuation in any detail, please contact your accountant or Dean Gibson on 0895285863.

**Associated documents for SW Larkman Super Fund Establishment Package**

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Declarations of Trustee  
Consents of Trustee  
Application for Membership  
Tax File Number Information  
Tax File Number Form  
Meeting Minutes: Initial Business  
Meeting Minutes: Fund Strategy  
Advice to the Trustees  
Trust Deed

## SW Larkman Super Fund

### Director of Trustee Declarations

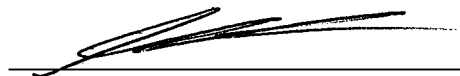
I make the following declarations:

- I am aware, or have reasonable grounds to suspect that a disqualified person is, or is acting as, a responsible officer of the trustee. However, I believe that person is eligible (under subsection 126B(1) of the *Superannuation Industry (Supervision) Act 1993*) to apply to the Regulator for a declaration waiving his or her status as a disqualified person and that the person will make an application under subsection 126B(3) within the allowed period.
- Neither a receiver, or a receiver and manager, has been appointed in respect of property beneficially owned by the trustee.
- Neither an administrator nor a liquidator nor a provisional liquidator has been appointed in respect of the trustee.
- The trustee has not commenced to be wound up.

Date:

30-11-21

Signed:



Stephen Larkman

**Director of the Trustee**

# SW Larkman Super Fund

## Director of Trustee Declarations

I make the following declarations:

- I am aware, or have reasonable grounds to suspect that a disqualified person is, or is acting as, a responsible officer of the trustee. However, I believe that person is eligible (under subsection 126B(1) of the *Superannuation Industry (Supervision) Act 1993*) to apply to the Regulator for a declaration waiving his or her status as a disqualified person and that the person will make an application under subsection 126B(3) within the allowed period.
- Neither a receiver, or a receiver and manager, has been appointed in respect of property beneficially owned by the trustee.
- Neither an administrator nor a liquidator nor a provisional liquidator has been appointed in respect of the trustee.
- The trustee has not commenced to be wound up.

Date: 30 November 2021

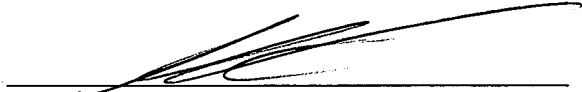
Signed:   
\_\_\_\_\_  
Billie Court  
Director of the Trustee

**SW Larkman Super Fund**

**Consent to Appointment as Director of the Trustee**

I consent to being appointed a director of the trustee of the SW Larkman Super Fund.

Date: 30-11-21

Signed:   
Stephen Larkman

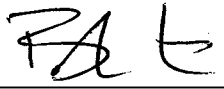


## SW Larkman Super Fund

### Consent to Appointment as Director of the Trustee

I consent to being appointed a director of the trustee of the SW Larkman Super Fund.

Date: 30 November 2021

Signed:   
Billie Court

## Application to become a Member

This Application Form contains your Death Benefit Nomination and undertakings which must be made by you. It is also accompanied by the Product Disclosure Statement relevant to the fund contained in Annexure A.

### Part 1 Application and undertakings

- I apply to become an initial member of this fund under the trust deed.
- I make each of the following undertakings:
  - I am not in an employment relationship with another member who is not a relative of mine
  - I am not a disqualified person under superannuation law from being a director of the trustee of the fund.
  - I will comply with the trust deed.
  - Upon request, I will fully disclose in writing any information required by the trustee in respect of my membership of the fund. This includes disclosing:
    - Any circumstance which may lead to my entering into an employment relationship with any other member of the fund who is not also a relative of mine.
    - That I may become disqualified under superannuation law from being a director of the trustee of the fund.
    - Any information in relation to my medical condition.
- I will act as a director of the trustee of the fund.
- I understand the trust deed, particularly its terms concerning the benefits payable under it, and I have read and understood the attached Product Disclosure Statement, annexed and marked 'A'.
- I have read and understand the prescribed information relating to the collection of Tax File Numbers by the trustees of superannuation funds.

I attach a completed ATO Individual Tax File Number Notification form.

Applicant name	Stephen Larkman
Applicant address	4 Nastes Ct, GELORUP WA 6230
Applicant occupation	Plumber
Date of birth	15 August 1972
Applicant place of birth	Subiaco, WA, Australia

**Part 2 Death benefit arrangements**

This is a binding death benefit notice. By completing and signing it you are requiring the trustee to provide any benefit payable on or after your death to the person or persons you mentioned in this notice, being one or more dependants or your legal personal representative.

I direct the trustee that the person named in the following table is to receive the proportions specified in that table of the benefit that is payable if I die and in the form specified.

Person	Relationship to member	Proportion of death benefit	Form of Benefit
Billie Court	Partner	100 %	as the trustee thinks fit.

If every person named in the table above predeceases the member, then the member directs the trustee to pay the member's benefit in accordance with the fund's deed and superannuation law.

If the member's death benefit is paid to the member's legal personal representative in accordance with this notice, then the member directs the representative to apply the funds for the sole benefit of the member's estate.

If compliance with superannuation law prevents any part of the benefit being paid to the named person(s) then that part of the benefit will be dealt with in accordance with the fund's deed and in accordance with superannuation law.

**Definitions**

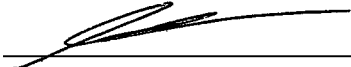
**Pension dependant** means a person who satisfies the requirements of r6.21(2A) of the Superannuation Industry (Supervision) Regulations 1994.

**Retirement phase recipient** has the meaning given to that term in the Tax Act.

**Superannuation income stream** has the meaning given to that term in the Tax Act.

**Tax Act** means the Income Tax Assessment Act 1936 or the Income Tax Assessment Act 1997, as appropriate, and the regulations made under the relevant Act.

(Please note that this beneficiary direction is valid for only 3 years.)

Date: 30-11-21 Signed by the applicant:   
Stephen Larkman

The following persons declare that:

- they are 18 years of age or older;
- they are not persons otherwise mentioned in this notice; and
- this form was signed by or on behalf of the member in their presence.

Date: 30 Nov 21

Date: 30/11/21

Witness: 

Witness: 

Witness name: Dean Alton Gibson,

Witness name: Anna Engelbrecht.

**First Notice: The types of death benefit arrangements and the order in which they take effect**

The Fund's Deed allows three types of death benefit payment arrangements. They, and the order in which they take effect, are as follows:

- a ***death benefit agreement*** — which binds the trustee and which does not expire, see Part H of the Deed;
- ***binding death benefit notices or binding nomination forms*** — which bind the trustee but which expire after 3 years or earlier if replaced or revoked; and
- ***non-binding nomination forms*** — which do not bind the trustee but which do not expire until replaced or revoked.

***Death benefit agreements take priority over binding death benefit notices and non-binding nomination forms.***

### **What you need to consider**

When you, as a member, are considering signing a binding death benefit notice or a non-binding nomination form it is important to consider that:

- a death benefit agreement takes priority over any binding death benefit notice or any non-binding nomination form;
- to the extent permitted by superannuation law, the trustee must pay or apply the relevant benefit in accordance with the death benefit agreement. Therefore if you sign a binding death benefit notice or a non-binding nomination form, then they will have no effect on any earlier or later death benefit agreement that you sign; and
- if any part of a death benefit agreement is invalid, then the trustee (as required by the Fund's Deed) will pay or apply the "invalid" part of the death benefit in accordance with any binding death benefit notice, or by reference to any non-binding nomination form, you have signed.

### **Second Notice: Consistency of death benefit arrangements with pension terms**

It is important to consider how any death benefit nomination or death benefit agreement interacts with the arrangements for payment of a pension to a reversionary beneficiary. The terms of the pension, and the terms of the death benefit nomination or death benefit agreement should be considered together.

For instance, if the pension terms require an automatic reversionary pension, then the death benefit nomination or death benefit agreement has no effect in relation to that pension. If the member wants to ensure all these arrangements – under pension terms, a death benefit nomination or death benefit agreement – are consistent, or to deliberately vary from one to the other, then careful drafting is required and the member should seek professional advice.

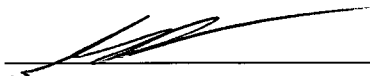
**Part 3 Provision of member's tax file number to regulated superannuation fund**

To the directors of the trustee of the SW Larkman Super Fund.

I have been informed of the reasons why my TFN is sought by the fund.

My TFN is 174272484.

Date: 30-11-21

Signed:   
Stephen Larkman

## **Important information about providing your tax file number (TFN) to the fund**

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**Under the *Superannuation Industry (Supervision) Act 1993*, the fund is required to request your TFN. Your TFN is confidential: you don't have to provide it.**

### **What your TFN may be used for**

If you provide your TFN, it will be used for legal purposes only. The purposes for which your TFN may be used may change in the future. At present, they include:

- searching for other benefits that may exist for you in the fund;
- calculating reduced tax rates on eligible termination payments (ETPS) when benefits are paid;
- reporting payments to ATO for benefit limits purposes (such as the transfer balance cap);
- reporting contributions to ATO for contributions tax (surcharge) purposes which may not otherwise be subject to the surcharge;
- passing to other regulated superannuation fund, ADFs and RSAs if your benefits are rolled over. You may revoke this authority later in writing;
- passing on with other details if you become lost and your benefits are paid to the ATO as unclaimed money.

### **What might happen if you don't provide your TFN**

If you do not provide your TFN, the following may happen:

- other benefits existing for you in the fund may be more difficult to locate and amalgamate;
- higher tax rates may apply to ETPs paid to you. (This may be recovered with lodgement of your next income tax return);
- your benefits may be subject to an extra 15% contribution tax (surcharge). This may be reclaimed on application to the ATO;
- your TFN will not be passed to other regulated superannuation funds, ADFs and RSAs if your benefits are rolled over;

your benefits may be more difficult to locate if benefits are paid to the ATO as unclaimed money.



**Annexure A**

## **Product Disclosure Statement**

### **SW Larkman Super Fund**

Stephen Larkman

4 Nastes Ct

GELORUP, WA, 6230

# Product Disclosure Statement

## Introduction

This PDS contains a summary of the important provisions of the fund's deed and the effects which those provisions may have on you. The *Corporations Act* requires that you be given this PDS within 3 months after you become a member of the fund.

If you have any questions at any time, you should refer those to the trustee. However, the trustee can only provide you with information – so you will need to seek your own legal, accounting and financial advice.

Terms which are capitalised in this PDS are either defined in the fund's deed or are contained in Schedule 1.

## You should consider getting professional advice about the fund

Your decision to become a member of the fund is important and involves issues including retirement planning, estate planning, taxation, and social security. The trustee strongly recommends that you consider consulting an appropriately qualified adviser before you decide to become a member or to have contributions made to the fund on your behalf.

This PDS is prepared for your general information only and is not, and is not intended to be, a recommendation to become a member of the fund. This PDS does not take into account your investment objectives, financial situation or retirement planning needs. You should not base a decision whether to become a member solely on the information in this PDS. You need to consider, and obtain advice on, the suitability of the fund in view of your investment objectives, financial situation and retirement planning needs.

## Information about your potential benefits

### 1 Details of potential lump sum benefits

#### 1.1 On your retirement

On your retirement, you will become entitled to a lump sum benefit, equal to the amount in your Accumulation Account on your retirement. As the definition of retirement in Schedule 1 suggests, there will be some circumstances in which you will become entitled to payment of a retirement benefit while you are still employed or when you retire and have reached the relevant Preservation Age: in some circumstances those benefits may only be paid as a pension, rather than a lump sum. Your trustee will be able to advise you further in this regard at the relevant time.

#### 1.2 Total and permanent disability

If you become totally and permanently disabled, you may become entitled to a lump sum benefit from your Accumulation Account. Your trustee will be able to advise you further in this regard at the relevant time.

#### 1.3 Temporary total disability

If you become totally disabled temporarily, you may become entitled to payment of a pension or annuity representing the amount:

- decided by the trustee, provided it does not infringe the limit set out in the superannuation law; or
- payable to the trustee under an insurance policy which the trustee may

have purchased and which covers the disability you suffer. (Premiums for these insurance policies are generally paid by the trustee from your Accumulation Account but may be paid out of other Accounts of the fund (such as the Income Account)).

#### 1.4 On death

On your death, the trustee may choose to or may be required to pay a pension or lump sum benefit from your Accumulation Account and any pension account to the persons named in your 'Death Benefit: Beneficiary Nomination' (which is on your Application for Membership) or to your dependants. The trustee may have also taken out a life insurance policy for you which may also entitle your dependants, or some other person, to a pension or lump sum benefit. Your 'Death Benefit: Beneficiary Nomination' can be binding or non-binding on the trustee (you can choose). Binding nominations need to be renewed every 3 years.

To overcome the requirement to renew binding nominations every 3 years, you can also choose to implement a 'death benefit agreement' under the fund's deed. The form of death benefit agreement is set out in Schedule 2 to the fund's deed.

Your death benefits will also include any residue in a pension account previously established for you, unless the arrangements in respect of that pension are that the pension will revert on your death to a Pension Dependant.

Generally speaking, you should seek professional advice concerning what plans need to be made in respect of your death benefits and what options are available to you.

The Deed provides for:

- **death benefit agreements** (which binds the trustee and which do not expire, see 'Death benefit agreement payment arrangements' clause in Part H of the fund's deed);
- **binding death benefit notices** (which bind the trustee but which expire after 3 years or earlier if replaced or revoked); and
- **non-binding nomination forms** (which do not bind the trustee and which do not expire until replaced or revoked).

***Death benefit agreements take priority over binding death benefit notices and non-binding nomination forms.***

#### **What you need to consider**

When you, as a member, are considering signing a death benefit agreement, a binding death benefit notice or a non-binding nomination form it is important to consider that:

- a death benefit agreement *takes priority* over any binding death benefit notice or any non-binding nomination form;
- to the extent permitted by superannuation law, the trustee must pay or apply the relevant benefit in accordance with the death benefit agreement. Therefore if you sign a binding death benefit notice or a non-binding nomination form, then they will have no effect on any earlier or later death benefit agreement that you sign; and

- if any part of a death benefit agreement is invalid, then the trustee (as required by the fund's deed) will pay or apply the "invalid" part of the death benefit in accordance with any binding death benefit notice, or by reference to any non-binding nomination form, you have signed.

### 1.5 Other circumstances

'Severe Financial Hardship' – in the case of severe financial hardship, you may be able to apply to have all benefits owing to you, paid to you by the trustee. There are certain conditions to be met and the benefits can only be paid to you to meet expenses in the nature of treatment of life-threatening illnesses, prevention of foreclosure under a mortgage, medical transport costs, palliative care costs and so on.

## 2 Details of potential income benefits

*Income benefits where you retire or reach your preservation age*

When you become entitled to payment of a **lump sum benefit**, the trustee may allow you to choose to receive that lump sum in the form of regularly paid income. This is called a pension. The fund can only provide you with an 'account-based pension'.

The rules for an 'account-based pension' include:

- **Minimum annual amount:** a minimum amount of the capital funding the pension must be paid to the pensioner each year. The minimum, which is expressed as a percentage of the capital, is determined by reference to the pensioner's age. You should speak to your adviser about relief from minimum pension payment amounts as the government does provide relief from time to time.
- **No maximum:** there will be no maximum amount that can be paid in a year, reflecting the fact that pensions and lump sums will be taxed in the same way.
- **But a maximum for transition to retirement pensions:** pensioners being paid a transition to retirement pension will only be able to be paid a maximum of 10% of the capital per annum. This also means that there are restrictions on when you can commute your transition to retirement pension.
- **Transfer on death:** on death, the pension may only be transferred to a Pension Dependant or cashed as a lump sum to the pensioner's dependants or estate.
- **Transfer balance cap:** rules apply from 1 July 2017 which limit the amount you may have (whether held in one or more superannuation funds) to fund the payment of a pension. This is discussed in paragraph 4 below.

### **Existing pensions**

If this PDS is being provided as a consequence of an update to the fund's existing deed, and the fund is presently paying you a pension, and is not a regular account-based pension (so, for example, it was one of the following pensions), then:

- for a pension which started before 20 September 2007, the pension will be deemed to meet the current rules provided that it was commenced before 20 September 2007 in accordance with the rules that applied at that time (and continues to be paid in accordance with those rules);
- if the pension is a complying pension (such as a life pension) then it must be paid, and will only be able to be terminated, pursuant to the rules as they were in force before 1 July 2007; and

- if the pension is an allocated pension then it may be transferred to an 'account-based' pension without having to first be commuted.

### ***Social Security Eligibility***

Your eligibility for a government age pension is means tested.

The assets test reduces the amount of any aged pension payments to which a member may be eligible. This will give you a part pension, which will reduce to zero once your assets reach the amount set out in the current asset tables specified by the Government. The current asset tables are available [here](#).

### ***Income benefits where you may not have retired but you have reached your preservation age.***

In some circumstances, you may be able to be paid a pension before you actually retire but after you have reached your preservation age. In the fund's deed these are referred to as 'Transition to retirement pensions'.

### ***Income benefits which may become payable on the death of another person.***

In some circumstances, you may be able to be paid a pension from an amount which is rolled-over or transferred into the fund on the death of another person. In those circumstances, the trustee must use that amount to pay a pension to you. The amount will depend entirely on the balance transferred to the fund from the other person's fund.

In those circumstances, you must work closely with the trustee to ensure that the pension will not result in your transfer balance exceeding your transfer balance cap (see paragraph 4). In some circumstances, if you are already receiving a pension, and the new pension will result in you breaching your transfer balance cap, then it may be beneficial to commute part of your existing pension to ensure compliance with the transfer balance cap, and transfer the relevant assets back to your accumulation account.

## **3 Transition to retirement pensions**

Once you reach your preservation age you may still be restricted from accessing your superannuation benefits (because, for instance, you may not have retired). However, once you reach your preservation age you may access a non-commutable pension, or what the fund's deed refers to as a transition to retirement pension.

So you may receive an 'account-based' pension as a 'transition to retirement pension', but additional restrictions apply if you want to commute (or cash out) that pension. Essentially the transition to retirement pensions are 'non-commutable' but there are some very limited exceptions. If you are interested in a transition to retirement pension, you should discuss this in detail with the trustee before requesting the payment of such a pension.

## **4 Transfer balance cap of \$1.6 million**

From 1 July 2017, persons who are receiving or are to receive a pension will have a 'transfer balance'. In short, this is an amount, which is generally capped at \$1.6 million (but which will be subject to indexing over time), determined by reference to the assets which have been transferred into the pension accounts of your superannuation fund(s) for the purpose of paying pensions to you. That means that your transfer balance takes into account, for instance, assets which fund a pension from this fund, as well as assets which fund pensions paid to you from other funds. Your 'transfer balance account' must not, at any time, exceed the 'transfer balance cap'. Where your transfer balance account exceeds the transfer balance cap, either you or the trustee will be required to remove the excess assets from the pension account and either:

- 4.1 transfer the excess capital back into your accumulation account (with any earnings attributable to the excess assets being taxed in accordance with the Tax Act); or
- 4.2 withdraw the excess assets from superannuation.

If you or the trustee become aware of your transfer balance account breaching the transfer balance cap, you should immediately consult with the trustee to take the necessary action. This may involve withdrawing the excess assets from the pension account under this fund, or it may involve withdrawing the excess assets from the pension account you have with another fund, or both. Withdrawing the excess occurs by 'commuting' part or all of your pension.

Where the fund has borrowed money under a limited recourse borrowing arrangement, and the loan is secured by property which supports a retirement phase income stream — any repayment of the loan sourced from money in the fund's accumulation account (without a proportional repayment from the pension account) will result in a credit to your transfer balance account which is equal to the proportional amount of the loan repayment which should have been funded from the pension account. As such, you and the trustee will need to ensure that repayments of this loan are made appropriately from your accumulation account and pension account.

If on or before 30 June 2017, the value of your transfer balance account is between \$1,600,000.00 and \$1,700,000.00, then the trustee will have until 31 December 2017 to transfer the excess capital out of your relevant pension accounts (again, using one of the methods described in items 4.1 and 4.2 above). No penalty will apply within this period.

If on or before 30 June 2017, the value of your transfer balance account is above \$1,700,000.00, then by 30 June 2017 the trustee will be required to remove the excess assets using one of the methods described in items 4.1 and 4.2 above.

## 5 Taxation of benefits

### 5.1 Seek advice

This section is general only. You must seek professional advice concerning your own circumstances and how tax will impact on your participation in the fund and on amounts payable to you.

### 5.2 Benefits paid to you

Superannuation benefits paid to persons **aged less than 60** are taxed as follows:

- **Lump sum benefits** have two components: an exempt component and a taxed component. The exempt component is tax free (it includes amounts such as pre-1983 contributions and undeducted contributions). The taxed component is tax free up to a low rate threshold (2014-2015 \$185,000, 2015-2016 \$195,000, 2016-2017 \$195,000, 2017-2018 \$200,000 and 2018-2019 \$205,000). After that threshold, it is taxed in accordance with applicable rates. These rates, and the relevant thresholds, are available on the ATO website.
- **Pension benefits** are taxed in a similar manner to lump sums at the moment, though overall tax can be less in some circumstances. Once the recipient turns 60, the pension is tax free provided that you comply with your transfer balance cap.
- **Proportional drawdown:** In both cases, payments are deemed to

include both exempt and taxable components, paid in proportion to the amount these components constitute of the recipient's total benefit.

### 5.3 Death benefits

Benefits paid in the event of your death are taxed as follows:

- **Lump sum benefits** to a member's dependant are tax free, as long as they are also a death benefits dependant as defined in section 302-195 of the ITAA97. Lump sum benefits paid to a dependant (who is not a death benefits dependant for ITAA97 purposes) have the taxable component taxed in accordance with applicable rates. These rates are available on the ATO website.
- If either a member dies on or after 1 July 2017, or a death benefit is to be paid on or after 1 July 2019, the fund will not be permitted to claim a tax deduction for that part of a lump-sum benefit paid to compensate for income tax paid by the fund in respect of contributions made during the deceased member's life ('anti-detriment' payments)
- **Reversionary pensions** are taxed according to the age of the primary and reversionary beneficiaries. If the primary beneficiary was aged 60 or over at the time of death, then the payments to the reversionary will be tax free. If the primary beneficiary was aged less than 60, then the payments will be taxed at the reversionary beneficiary's marginal tax rate until the reversionary turns 60 (then it will be tax-free). However, a reversionary pension will only be payable to a Pension Dependant. Also a pension paid to a Pension Dependant who is a child will have to be cashed to a lump sum when the child turns 25 (unless they're permanently disabled).
- Pensions can only revert to a Pension Dependant: simply being a dependant is not sufficient. Therefore, benefits which cannot be paid to a Pension Dependant as a pension must be paid as a lump sum to a dependant or the member's estate.

## Information about risks associated with the fund

### 6 Details of risks: General

The assets of the fund must be invested in accordance with an appropriate investment strategy as devised by the trustee. Although the trustee decides on an investment strategy aimed at increasing the value of the fund's assets, this value can be reduced by movements in the underlying value of the fund's assets, for instances movement in share or property prices. This may mean the value of the assets held in the fund for your benefit, or to pay you a pension, may be reduced. Indeed, if the performance of the fund's assets is very poor, the value of the assets held in the fund for your benefit, or to pay you a pension, may be less than the value of the contributions made to the fund on your behalf. Poor investment performance may also affect the trustee's capacity to make payments to you or to sustain the level of payments made to you. More information about risks associated with the fund borrowing in order to invest are set out under "Investment of fund assets" at paragraph 43 below.

If you choose to receive a pension then the amounts you receive are calculated by reference to the value of the assets in the fund. Therefore, if the value of the assets decreases, there may be a corresponding decrease in benefit or pension amounts payable to you and you effectively bear the risk associated with potentially poor investment performance of those assets. Broadly speaking, 100% of the amount used to fund the pension will be taken into account for the aged pension means test.

Finally, if a benefit payable to you is commuted so that the trustee may purchase:

- an annuity from a third party (such as a life assurance company), then you will have a regular income stream and the associated risk will be born by the third party; or
- an 'account-based' pension from a third party (such as a life assurance company), then the situation is the same as for an 'account-based' pension from the trustee and you effectively bear the risk associated with the variations in the value of the assets which fund the pension.

### 7 Regulatory Risk

The fund is a self-managed superannuation fund regulated by the ATO. As a member, you will also have to be a trustee, or a director of the corporate trustee. These persons are responsible for ensuring the fund complies with all relevant superannuation laws, as enforced by the ATO.

Serious consequences flow if the fund is operated in a manner inconsistent with these rules. The consequences include prosecution by the ATO or a determination by the ATO that the fund is non-complying, with the result that the concessional tax treatment of the fund ends, and the fund will receive a very significant tax assessment which is aimed at recouping the value of tax concessions previously received by the fund. Accordingly compliance of the fund with regulatory requirements is essential.

You must ensure that you are familiar with, and understand these rules. If you are not confident of this, then you should seek professional advice as to whether you will be in a position to comply with these obligations on joining the fund as a member.



## Information about amounts paid to the fund for or by you

### 8 Contributions

If you have an employer, then with the member's consent, contributions can be paid by deduction from wages or salary. In that case, the member will procure that its employer pays them to the fund in the way the trustee directs. If you are unemployed or self-employed, then you may make contributions to the fund yourself. These contributions are deductible for tax purposes, subject to the caps discussed immediately below.

Alternatively you may make contributions, or another person may make contributions on your behalf.

From 1 July 2017, if you are under age 65, or aged 65 to 74 and meet the work test, you are eligible to claim a tax deduction for personal contributions to eligible superannuation funds up to the concessional contributions cap.

### 9 Superannuation co-contributions

You will be eligible to receive a co-contribution from the Federal Government up to a maximum amount (\$500 in 2016-2017, 2017-2018 and 2018-2019) if:

- you make one or more eligible personal super contributions by 30 June of a financial year;
- your total income is less than the prescribed amount (\$51,021 in 2016-2017, \$51,813 in 2017-2018 and \$52,697 in 2018-2019). Co-contribution income thresholds from previous financial years can be found [here](#);
- 10% of your income is from employment sources, such as an employer or running your own business;
- you are 71 years or younger;
- you did not hold a temporary visa at any time during the financial year (unless you are a New Zealand citizen or it was a prescribed visa); and
- you lodge your income tax return.

You are not entitled to a super co-contribution for personal contributions that have been allowed as a tax deduction.

### 10 Low Income Superannuation Tax Offset

From 1 July 2017, the Federal Government will introduce the Low Income Superannuation Tax Offset (LISTO).

If you have an adjustable income up to \$37,000, you will receive a refund into your fund account of the tax paid on your concessional superannuation contributions, up to a cap of \$500. In effect, this means that most low income earners will pay no tax on their superannuation contributions.

### 11 Tax on concessional contributions:

A tax of 15% applies to all 'concessional' superannuation contributions. An additional amount of tax is payable by individuals who exceed a high income threshold of \$300,000. Where an individual's adjusted income and low-tax contributions are greater than \$300,000, they may have to pay an extra 15% tax on either of the following amounts, whichever is less:

- excess over the threshold; or

- actual taxable contributions.

From 1 July 2017, the high income threshold will be reduced from \$300,000 to \$250,000.

This means that:

- if your excess is greater than your taxable contributions, then you will pay the extra 15% tax on all your taxable contributions; alternatively
- if your excess is less than your taxable contributions, then you will pay the extra 15% tax (30% tax in total) on the excess and 15% tax only on the rest of your taxable contributions.

**12 Caps on concessional contributions:** This paragraph sets out the cap which applies to concessional contributions. How much you can contribute to your super before having to pay extra tax depends on your age at the end of the financial year:

Financial Year	Concession (General Cap)	Age	Tax on amounts over the cap
2013 – 2014	\$25,000	under 50 years old	Included in your income tax return and taxed at your marginal rates plus the excess concessional contributions (ECC) charge.
	\$35,000	59 years old or over on 30 June 2013	
2014 – 2015	\$30,000	under 49 years old	Included in your income tax return and taxed at your marginal rates plus the excess concessional contributions (ECC) charge.
	\$35,000	49 years old or over on 30 June 2014	
2015 – 2016	\$30,000	under 49 years old	Included in your income tax return and taxed at your marginal rates plus the excess concessional contributions (ECC) charge.
	\$35,000	49 years old or over on 30 June 2015	
2016 – 2017	\$30,000	under 49 years old	Included in your

	\$35,000	49 years or over on 30 June 2016	income tax return and taxed at your marginal rates plus the excess concessional contributions (ECC) charge.
2017 – 2018	\$25,000	All ages – from 1 July 2017	Included in your income tax return and taxed at your marginal rates plus the excess concessional contributions (ECC) charge.
2018 – 2019	\$25,000	All ages	Included in your income tax return and taxed at your marginal rates plus the excess concessional contributions (ECC) charge.

There is 15% tax payable by your fund on concessional contributions paid into your superannuation fund (subject to the discussion above about the high income threshold). Generally, concessional contributions can only be made by employers or persons who are self-employed.

#### **Going over the concessional contributions cap**

For 2013-14 and later years, if you exceed your concessional contributions cap the excess contributions are included in your taxable income and taxed at your marginal tax rate plus an interest charge known as the 'excess concessional contributions' (ECC) charge (as set out in the above table).

To assist you in paying this additional tax:

- you can choose to release up to 85% of your excess concessional contributions from the fund by requesting that a release authority be issued to the trustee, which is a process pursued with the ATO; and
- you will receive a 15% tax offset in your tax return (to account for the tax paid by your fund on the excess concessional contributions).

#### **Catch-up concessional contributions**

From 1 July 2018, if you have a total superannuation balance of less than \$500,000, you will be allowed to make 'catch-up' contributions, up to your unused cap space amounts.

The ability to carry over any unused cap space amounts will commence from 1 July 2018 (that is, if you do not meet your limit in 2018-2019, you can catch up in 2019-2020). If you fail to use any unused cap space after five years it will expire.

Individuals aged 65 to 74 who meet the work test will be able to access these arrangements.

**13 Caps on non-concessional contributions:** This paragraph sets out the caps which apply to non-concessional contributions:

Financial Year	Non-Concession Cap	Tax on amounts over the cap
2013 – 2014	\$150,000	46.5%
2014 – 2015	\$180,000	47%
2015 – 2016	\$180,000	49%
2016 – 2017	\$180,000	49%
2017 – 2018	\$100,000	47%
2018 – 2019	\$100,000	47%

In addition, if you are under 65 and eligible to contribute to super, then you may bring forward two years of contributions and contribute non-concessional contributions up to three times your cap in one year (the 'bring-forward' option), and not make any contributions for the following two years. If you brought forward your contributions in 2014-2015, the 'bring-forward' cap would be \$540,000 (3 x \$180,000).

From 1 July 2017, the 'bring-forward' option in 2017-2018 will be \$300,000 (3 x \$100,000) provided your total superannuation balance is not greater than or equal to \$1.6 million. Where your balance is close to \$1.6 million, you will only be eligible to bring forward the annual bring forward cap amount for the number of years that would take your balance to \$1.6 million. From 1 July 2017, if your total superannuation balance is \$1.6 million or more, you will no longer be eligible to make non-concessional contributions.

There are transitional rules which apply to those people who triggered the bring-forward cap in either the 2015-2016 year, or the 2016-2017 year, which produces a combined figure based on the \$180,000 annual cap which applied before 1 July 2017, and the \$100,000 annual cap which applies on and from 1 July 2017. It is important that you seek professional advice to calculate these caps correctly.

**Going over the non-concessional contributions cap**

For 2013-14 and later years, if you exceed your non-concessional contributions cap (as set out in the above table) you have the following options:

- Withdraw the excess non-concessional contributions (and 85% of all associated earnings on these contributions) from your fund by requesting that a release authority be issued to the trustee, which is a process pursued with the ATO. If you choose this option then the total amount of associated earnings will be included in your assessable income and taxed at your marginal tax rate. You will receive a 15% tax offset for this in your tax return.
- Keep the excess non-concessional contributions in your fund. If you choose this option then the excess will be taxed at the rate set out in the above table.

#### **14 Contributions-splitting**

Spouses may split superannuation contributions between them. Contributions-splitting allows members to ask the trustee to transfer certain contributions made after 1 January 2006 (**Splittable contributions**) made in respect of the member to the superannuation fund, or account of that member's spouse.

The contributions splitting applications must be lodged with the fund by 30 June in the financial year.

At present, the split can only take place in respect of splittable contributions made in the previous financial year.

### **Information about amounts deducted from the fund**

#### **15 Debits from your Accumulation and Pension Accounts**

The trustee can make deductions from your Accumulation or Pension Accounts to, for example, meet the fund's expenses, to pay taxes (or to set aside for anticipated taxes), to pay for an insurance policy or Annuity premiums or to pay an amount from your Pension Account to your Accumulation Account or vice versa.

#### **16 Other application of income**

The trustee also:

- maintains an income account: This is a general account of the fund and does not relate to a specific member. Amounts such as the income and profits of the fund or proceeds of insurance policies (which the trustee decides not to pay to a member or beneficiary) are paid into this account. From this income account the trustee can make payments to your Accumulation Account, but it may also make deductions from the income account to:
  - pay the expenses of the fund;
  - pay taxes due and payable, or likely to become due and payable;
  - pay costs of insurance policies;
  - meet losses suffered on disposal of an asset of the fund and so on.
- may maintain an Equalisation Account: This is also a general account of the fund. The trustee may decide to pay amounts into this account to:
  - smooth the investment earnings of the fund (that is, to even out years of good growth and performance with years of poor growth and performance);
  - provide for tax liabilities;
  - pay fund expenses;

- otherwise provide for contingencies of the fund.

The trustee is not permitted to charge fees in relation to the services it provides to the fund.

## **Other significant information about the fund**

### **17 Preservation Age**

Set out below are the Preservation Ages relevant to members of the fund:

- for a person born before 1 July 1960 – 55 years
- for a person born during the year 1 July 1960 to 30 June 1961 – 56 years
- for a person born during the year 1 July 1961 to 30 June 1962 – 57 years
- for a person born during the year 1 July 1962 to 30 June 1963 – 58 years
- for a person born during the year 1 July 1963 to 30 June 1964 – 59 years
- for a person born after 30 June 1964 – 60 years.

### **18 Reporting Transfer Balance Account Events**

From 1 July 2018, the trustee of a self-managed super fund must lodge a Transfer Balance Account Report (**TBAR**) with the ATO using the prescribed form in respect of each member to whom a 'transfer balance account event' occurs. The ATO uses this information to record and track a member's transfer balance account and total superannuation balance. The deadline by which the report must be lodged depends on the member's total superannuation balance.

Events which require reporting, include but aren't limited to the following:

- retirement phase income streams in existence before 1 July 2017 and which are still being paid to the member;
- if occurring after 1 July 2017:
  - retirement phase income streams that have commenced;
  - member commutations; and
  - commutations effected to comply with a commutation authority issued by the Commissioner of Taxation.

Although the trustee is not required to lodge a TBAR until after 1 July 2018, it must ensure that any reportable events which occur between 1 July 2017 and 30 June 2018 are reported in the TBAR.

### **19 Investment of fund assets**

The trustee is permitted to make a wide range of investments provided that they accord with the trustee's investment strategy. The trustee is required to establish an investment strategy or strategies, outlining how the assets of the fund will be invested. The trustee can alter the strategy or strategies provided they remain appropriate. If the trustee offers more than one strategy, you may choose the appropriate strategy but you cannot choose the investments the trustee is to make within the strategy.

The trustee cannot loan money from the fund to a member or a member's relative.

The trustee may borrow money to make any investment — but only in restricted circumstances. In such cases:

- the only fund asset that may be used as security for the borrowing is the asset

that the fund is acquiring with the borrowed money;

- the asset acquired must be an asset which the fund could ordinarily and lawfully acquire (for example, the fund is prohibited from acquiring assets which do not satisfy the sole purpose test in section 62 of the SIS Act – this stays the same even though the fund is borrowing to acquire the asset);
- the terms on which the asset is acquired must meet strict requirements set out in superannuation law.

The risks associated with any investment (as described generally under "Details of risks: General" at paragraph 31 above) increase when made using borrowed money. You should always obtain professional advice before making any such investment.

The trustee is required to hold money and other assets of the fund separately from those which it holds personally.

When preparing statements of the fund's financial position, the fund's operating statement or any other account or statement required by the SIS Act or the SIS Regulations, the trustee is required to value the fund's assets at their market value. Market value has the same meaning as in the SIS Act.

## **20 Valuation of fund assets**

The Trustee will ensure that the fund's assets are valued at their market value. Market value has the same meaning as in the SIS Act.

## **21 Taxation**

### **21.1 Income of the fund**

For tax purposes, the fund's income is divided into 2 components:

- Non-arms length component: which includes income such as private company distributions, non arms-length income and trust distributions, reduced by tax deductions relating to that special income.
- Low tax component: which is the total of all fund income, less the non-arms length component.

The low tax component is taxed at the concessional rate of 15% in the hands of the trustee. The non-arm's length component is taxed at the rate of 45% plus the 2% Temporary Budget Repair Levy (which will cease to apply after the 2016-2017 income year).

### **21.2 Pension earnings**

Generally, while you are alive the fund will not have to pay income tax on income or capital gains attributable to the assets in your pension account.

However, from 1 July 2017, the tax exempt status of income from assets supporting transition to retirement pensions will be removed. Earnings from assets supporting transition to retirement pensions will be taxed concessionally at 15%.

### **21.3 Contributions**

Contributions to the fund (made by your employer, yourself, your spouse, etc) are generally treated as contributions of capital and will not be included in the fund's Income. However, if the person making a contribution is entitled to a tax

deduction in relation to that contribution, then the contribution will usually be treated as fund income and will be taxed as outlined in paragraph 46.1 above.

Information about the deductibility of contributions is in paragraph 33 above.

#### **21.4 Surcharge on High Income Earners**

With effect from 1 July 2005 the superannuation contributions surcharge was abolished in respect of all contributions made **on or after 1 July 2005**. However it still applies to contributions made before that date. From 1 July 2012 the arrangements in respect of a high income threshold of \$300,000 (\$250,000 from 1 July 2017) apply – see discussion at paragraph 33.

#### **21.5 Low Income Spouse Offset**

If a person makes a contribution on behalf of a member who is their low income (or no income) spouse, the person making the contribution may be entitled to a tax offset of up to \$540 per year.

A member who makes a contribution can get the full tax rebate if:

- they contribute at least \$3,000 to their spouse's account; and
- their spouse's assessable income is less than \$10,800 for the financial year.

If you contribute less than \$3,000, the tax offset will be equivalent to 18% of your contributions. If your spouse's income is higher than \$10,800, the tax offset reduces until it cuts out when your spouse's income reaches \$13,800.

From 1 July 2017, the 18% offset of up to \$540 will be extended from those with an income of up to \$10,800 to those with an income of up to \$37,000. Similarly, the point at which the tax offset reduces will be increased from \$13,800 to \$40,000.

No changes to the current age based contributions rules will apply from 1 July 2017. The spouse receiving the contribution must be under age 70 and meet a work test if aged 65 to 69.



**22 Insurance**

As part of its investment strategy, the trustee will consider whether to hold a contract of insurance that provides insurance cover for one or more members of the fund.

**23 The fund deed**

The fund deed is written in plain English. Provisions that are not relevant to the particular fund of which you are a member have been excluded. For example, if individuals are trustees of the fund, then all provisions relevant to a company being a trustee of the fund have been removed. Therefore, if a company is later appointed as trustee, the fund deed will have to be varied to include the relevant provisions.

You should read the trust deed and seek professional advice if you do not understand it.

**24 Other considerations concerning investments made by the fund**

The trustee is required to inform you of whether labour standards or environmental, social or ethical considerations are, or will be, taken into account when the trustee selects, retains or realises an investment. At this stage, the trustee does not take any such considerations into account. However, the trustee is obviously free to incorporate this into its investment strategy if it sees fit.

**25 Contacting the trustee for additional information**

If at any time you require further information including information concerning the fund, the fund deed, the fund's performance or your rights as a member, you can contact the trustee using the contact details at the beginning of this PDS.

# Product Disclosure Statement – Schedule 1

## Definitions

Where a term is capitalised in this PDS, the meaning is either explained below or is explained in the trust deed:

**Accumulation Account** means the account established for you by the trustee. Each member of the fund has an Accumulation Account, into which are paid that member's contributions or contributions made on behalf of that member, as well as other amounts specific to that member (such as the proceeds of an insurance policy taken out by the trustee for your benefit).

**Annuity** means what it means under superannuation law. Essentially, it refers to a financial product which is purchased by providing a lump sum (capital) to the financial product supplier who undertakes to pay you an income for a specified time. Unlike a pension, the capital disappears when you purchase the annuity and you receive a contractual right to receive income.

**Commute** has the same meaning as under superannuation law. Generally, it refers to when a right to receive a **regular payment** (like pension or annuity payments) is converted into the right to receive a **lump sum payment**.

**Dependant** – in relation to a member, former member or beneficiary (the 'primary person'), means each of the following:

- the spouse or widow or widower of that primary person.
- any child of that primary person, including a person who, in the trustee's opinion, is or was actually maintained by the primary person as the child of the primary person.
- any person with whom the primary person has an interdependency relationship.
- any other person who, in the trustee's opinion, was substantially dependent on the primary person at the relevant time.

**Pension** refers to a financial product which is purchased by providing a lump sum (capital) to the financial product supplier, who invests the lump sum, manages that investment, and pays you a regular income from the proceeds of those investments. As well as paying you the proceeds of the investments, the financial product supplier may include in your payments part of the initial capital you contributed.

**Pension Dependant** means a dependant of a member to whom a pension may be paid on the member's death, as defined by regulation 6.21(2A) of the SIS Regulations.

**Preservation Age** means what it means under superannuation law. Essentially it is the minimum age after which your benefit arising from a preserved payment may be paid to you. Those ages are set out in paragraph 42 above.

**Preserved Payment** means a payment made to the fund which is required to be preserved under superannuation law if the fund is to be a complying superannuation fund.

**Retirement** occurs:

- if you have reached a Preservation Age less than 60, and
- an arrangement under which you were gainfully employed comes to an end; and
- the trustee is reasonably satisfied that you never intend to become gainfully employed (either full time or part time); or

- if you have reached age 60 and an arrangement under which you were gainfully employed has come to an end and either of the following circumstances apply;
- you have attained that age on or before ending employment; or
- the trustee is reasonably satisfied that you never intend to become gainfully employed (either full time or part time).

**Superannuation Contributions Surcharge** means an amount which you may be liable to pay if your taxable income is greater than the relevant superannuation surcharge level for a year of income.

**Tax Act** means the *Income Tax Assessment Act 1936* or *Income Tax Assessment Act 1997*, as appropriate, and the regulations made under the relevant Act.

**Total Superannuation Balance** has the same meaning as in section 995-1(1) of the Tax Act.

**Transfer Balance Account** has the same meaning as in section 995-1(1) of the Tax Act.

**Transfer Balance Cap** has the same meaning as in section 995-1(1) of the Tax Act.

## Application to become a Member

This Application Form contains your Death Benefit Nomination and undertakings which must be made by you. It is also accompanied by the Product Disclosure Statement relevant to the fund contained in Annexure A.

### Part 1 Application and undertakings

- I apply to become an initial member of this fund under the trust deed.
- I make each of the following undertakings:
  - I am not in an employment relationship with another member who is not a relative of mine
  - I am not a disqualified person under superannuation law from being a director of the trustee of the fund.
  - I will comply with the trust deed.
  - Upon request, I will fully disclose in writing any information required by the trustee in respect of my membership of the fund. This includes disclosing:
    - Any circumstance which may lead to my entering into an employment relationship with any other member of the fund who is not also a relative of mine.
    - That I may become disqualified under superannuation law from being a director of the trustee of the fund.
    - Any information in relation to my medical condition.
- I will act as a director of the trustee of the fund.
- I understand the trust deed, particularly its terms concerning the benefits payable under it, and I have read and understood the attached Product Disclosure Statement, annexed and marked 'A'.
- I have read and understand the prescribed information relating to the collection of Tax File Numbers by the trustees of superannuation funds.

I attach a completed ATO Individual Tax File Number Notification form.

Applicant name	Billie Court
Applicant address	4 Nastes Ct, GELORUP WA 6230
Applicant occupation	Teacher High School
Date of birth	22 August 1974
Applicant place of birth	Subiaco, WA, Australia

**Part 2 Death benefit arrangements**

This is a binding death benefit notice. By completing and signing it you are requiring the trustee to provide any benefit payable on or after your death to the person or persons you mentioned in this notice, being one or more dependants or your legal personal representative.

I direct the trustee that the person named in the following table is to receive the proportions specified in that table of the benefit that is payable if I die and in the form specified.

Person	Relationship to member	Proportion of death benefit	Form of Benefit
Stephen Larkman	Partner	100 %	as the trustee thinks fit.

If every person named in the table above predeceases the member, then the member directs the trustee to pay the member's benefit in accordance with the fund's deed and superannuation law.

If the member's death benefit is paid to the member's legal personal representative in accordance with this notice, then the member directs the representative to apply the funds for the sole benefit of the member's estate.

If compliance with superannuation law prevents any part of the benefit being paid to the named person(s) then that part of the benefit will be dealt with in accordance with the fund's deed and in accordance with superannuation law.

**Definitions**


**Pension dependant** means a person who satisfies the requirements of r6.21(2A) of the Superannuation Industry (Supervision) Regulations 1994.

**Retirement phase recipient** has the meaning given to that term in the Tax Act.

**Superannuation income stream** has the meaning given to that term in the Tax Act.

**Tax Act** means the Income Tax Assessment Act 1936 or the Income Tax Assessment Act 1997, as appropriate, and the regulations made under the relevant Act.

(Please note that this beneficiary direction is valid for only 3 years.)

Date: 30 November 2021 Signed by the applicant:   
Billie Court


The following persons declare that:

- they are 18 years of age or older;
- they are not persons otherwise mentioned in this notice; and
- this form was signed by or on behalf of the member in their presence.

Date: \_\_\_\_\_

Date: 30/11/21

Witness: \_\_\_\_\_

Witness:  \_\_\_\_\_

Witness name: \_\_\_\_\_

Witness name: Anna Engelbrecht

**First Notice: The types of death benefit arrangements and the order in which they take effect**

The Fund's Deed allows three types of death benefit payment arrangements. They, and the order in which they take effect, are as follows:

- a **death benefit agreement** — which binds the trustee and which does not expire, see Part H of the Deed;
- **binding death benefit notices or binding nomination forms** — which bind the trustee but which expire after 3 years or earlier if replaced or revoked; and
- **non-binding nomination forms** — which do not bind the trustee but which do not expire until replaced or revoked.

**Death benefit agreements** take priority over *binding death benefit notices and non-binding nomination forms*.

### **What you need to consider**

When you, as a member, are considering signing a binding death benefit notice or a non-binding nomination form it is important to consider that:

- a death benefit agreement takes priority over any binding death benefit notice or any non-binding nomination form;
- to the extent permitted by superannuation law, the trustee must pay or apply the relevant benefit in accordance with the death benefit agreement. Therefore if you sign a binding death benefit notice or a non-binding nomination form, then they will have no effect on any earlier or later death benefit agreement that you sign; and
- if any part of a death benefit agreement is invalid, then the trustee (as required by the Fund's Deed) will pay or apply the "invalid" part of the death benefit in accordance with any binding death benefit notice, or by reference to any non-binding nomination form, you have signed.

### **Second Notice: Consistency of death benefit arrangements with pension terms**

It is important to consider how any death benefit nomination or death benefit agreement interacts with the arrangements for payment of a pension to a reversionary beneficiary. The terms of the pension, and the terms of the death benefit nomination or death benefit agreement should be considered together.

For instance, if the pension terms require an automatic reversionary pension, then the death benefit nomination or death benefit agreement has no effect in relation to that pension. If the member wants to ensure all these arrangements – under pension terms, a death benefit nomination or death benefit agreement – are consistent, or to deliberately vary from one to the other, then careful drafting is required and the member should seek professional advice.



**Part 3 Provision of member's tax file number to regulated superannuation fund**

To the directors of the trustee of the SW Larkman Super Fund.

I have been informed of the reasons why my TFN is sought by the fund.

My TFN is 195377243.

Date: 30 November 2021

Signed: 

Billie Court

## **Important information about providing your tax file number (TFN) to the fund**

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**Under the *Superannuation Industry (Supervision) Act 1993*, the fund is required to request your TFN. Your TFN is confidential: you don't have to provide it.**

### **What your TFN may be used for**

**If you provide your TFN, it will be used for legal purposes only. The purposes for which your TFN may be used may change in the future. At present, they include:**

- searching for other benefits that may exist for you in the fund;
- calculating reduced tax rates on eligible termination payments (ETPS) when benefits are paid;
- reporting payments to ATO for benefit limits purposes (such as the transfer balance cap);
- reporting contributions to ATO for contributions tax (surcharge) purposes which may not otherwise be subject to the surcharge;
- passing to other regulated superannuation fund, ADFs and RSAs if your benefits are rolled over. You may revoke this authority later in writing;
- passing on with other details if you become lost and your benefits are paid to the ATO as unclaimed money.

### **What might happen if you don't provide your TFN**

If you do not provide your TFN, the following may happen:

- other benefits existing for you in the fund may be more difficult to locate and amalgamate;
- higher tax rates may apply to ETPs paid to you. (This may be recovered with lodgement of your next income tax return);
- your benefits may be subject to an extra 15% contribution tax (surcharge). This may be reclaimed on application to the ATO;
- your TFN will not be passed to other regulated superannuation funds, ADFs and RSAs if your benefits are rolled over;

your benefits may be more difficult to locate if benefits are paid to the ATO as unclaimed money.

**Annexure A**

**Product Disclosure Statement**

**SW Larkman Super Fund**

Billie Court

4 Nastes Ct

GELORUP, WA, 6230

# Product Disclosure Statement

## Introduction

This PDS contains a summary of the important provisions of the fund's deed and the effects which those provisions may have on you. The *Corporations Act* requires that you be given this PDS within 3 months after you become a member of the fund.

If you have any questions at any time, you should refer those to the trustee. However, the trustee can only provide you with information – so you will need to seek your own legal, accounting and financial advice.

Terms which are capitalised in this PDS are either defined in the fund's deed or are contained in Schedule 1.

## You should consider getting professional advice about the fund

Your decision to become a member of the fund is important and involves issues including retirement planning, estate planning, taxation, and social security. The trustee strongly recommends that you consider consulting an appropriately qualified adviser before you decide to become a member or to have contributions made to the fund on your behalf.

This PDS is prepared for your general information only and is not, and is not intended to be, a recommendation to become a member of the fund. This PDS does not take into account your investment objectives, financial situation or retirement planning needs. You should not base a decision whether to become a member solely on the information in this PDS. You need to consider, and obtain advice on, the suitability of the fund in view of your investment objectives, financial situation and retirement planning needs.

## Information about your potential benefits

### 26 Details of potential lump sum benefits

#### 26.1 On your retirement

On your retirement, you will become entitled to a lump sum benefit, equal to the amount in your Accumulation Account on your retirement. As the definition of retirement in Schedule 1 suggests, there will be some circumstances in which you will become entitled to payment of a retirement benefit while you are still employed or when you retire and have reached the relevant Preservation Age: in some circumstances those benefits may only be paid as a pension, rather than a lump sum. Your trustee will be able to advise you further in this regard at the relevant time.

#### 26.2 Total and permanent disability

If you become totally and permanently disabled, you may become entitled to a lump sum benefit from your Accumulation Account. Your trustee will be able to advise you further in this regard at the relevant time.

#### 26.3 Temporary total disability

If you become totally disabled temporarily, you may become entitled to payment of a pension or annuity representing the amount:

- decided by the trustee, provided it does not infringe the limit set out in the superannuation law; or
- payable to the trustee under an insurance policy which the trustee may

have purchased and which covers the disability you suffer. (Premiums for these insurance policies are generally paid by the trustee from your Accumulation Account but may be paid out of other Accounts of the fund (such as the Income Account)).

#### 26.4 On death

On your death, the trustee may choose to or may be required to pay a pension or lump sum benefit from your Accumulation Account and any pension account to the persons named in your 'Death Benefit: Beneficiary Nomination' (which is on your Application for Membership) or to your dependants. The trustee may have also taken out a life insurance policy for you which may also entitle your dependants, or some other person, to a pension or lump sum benefit. Your 'Death Benefit: Beneficiary Nomination' can be binding or non-binding on the trustee (you can choose). Binding nominations need to be renewed every 3 years.

To overcome the requirement to renew binding nominations every 3 years, you can also choose to implement a 'death benefit agreement' under the fund's deed. The form of death benefit agreement is set out in Schedule 2 to the fund's deed.

Your death benefits will also include any residue in a pension account previously established for you, unless the arrangements in respect of that pension are that the pension will revert on your death to a Pension Dependant.

Generally speaking, you should seek professional advice concerning what plans need to be made in respect of your death benefits and what options are available to you.

The Deed provides for:

- **death benefit agreements** (which binds the trustee and which do not expire, see 'Death benefit agreement payment arrangements' clause in Part H of the fund's deed);
- **binding death benefit notices** (which bind the trustee but which expire after 3 years or earlier if replaced or revoked); and
- **non-binding nomination forms** (which do not bind the trustee and which do not expire until replaced or revoked).

***Death benefit agreements take priority over binding death benefit notices and non-binding nomination forms.***

#### **What you need to consider**

When you, as a member, are considering signing a death benefit agreement, a binding death benefit notice or a non-binding nomination form it is important to consider that:

- a death benefit agreement *takes priority* over any binding death benefit notice or any non-binding nomination form;
- to the extent permitted by superannuation law, the trustee must pay or apply the relevant benefit in accordance with the death benefit agreement. Therefore if you sign a binding death benefit notice or a non-binding nomination form, then they will have no effect on any earlier or later death benefit agreement that you sign; and

- if any part of a death benefit agreement is invalid, then the trustee (as required by the fund's deed) will pay or apply the "invalid" part of the death benefit in accordance with any binding death benefit notice, or by reference to any non-binding nomination form, you have signed.

## 26.5 Other circumstances

'Severe Financial Hardship' – in the case of severe financial hardship, you may be able to apply to have all benefits owing to you, paid to you by the trustee. There are certain conditions to be met and the benefits can only be paid to you to meet expenses in the nature of treatment of life-threatening illnesses, prevention of foreclosure under a mortgage, medical transport costs, palliative care costs and so on.

## 27 Details of potential income benefits

*Income benefits where you retire or reach your preservation age*

When you become entitled to payment of a **lump sum benefit**, the trustee may allow you to choose to receive that lump sum in the form of regularly paid income. This is called a pension. The fund can only provide you with an 'account-based pension'.

The rules for an 'account-based pension' include:

- **Minimum annual amount:** a minimum amount of the capital funding the pension must be paid to the pensioner each year. The minimum, which is expressed as a percentage of the capital, is determined by reference to the pensioner's age. You should speak to your adviser about relief from minimum pension payment amounts as the government does provide relief from time to time.
- **No maximum:** there will be no maximum amount that can be paid in a year, reflecting the fact that pensions and lump sums will be taxed in the same way.
- **But a maximum for transition to retirement pensions:** pensioners being paid a transition to retirement pension will only be able to be paid a maximum of 10% of the capital per annum. This also means that there are restrictions on when you can commute your transition to retirement pension.
- **Transfer on death:** on death, the pension may only be transferred to a Pension Dependant or cashed as a lump sum to the pensioner's dependants or estate.
- **Transfer balance cap:** rules apply from 1 July 2017 which limit the amount you may have (whether held in one or more superannuation funds) to fund the payment of a pension. This is discussed in paragraph 4 below.

### **Existing pensions**

If this PDS is being provided as a consequence of an update to the fund's existing deed, and the fund is presently paying you a pension, and is not a regular account-based pension (so, for example, it was one of the following pensions), then:

- for a pension which started before 20 September 2007, the pension will be deemed to meet the current rules provided that it was commenced before 20 September 2007 in accordance with the rules that applied at that time (and continues to be paid in accordance with those rules);
- if the pension is a complying pension (such as a life pension) then it must be paid, and will only be able to be terminated, pursuant to the rules as they were in force before 1 July 2007; and

- if the pension is an allocated pension then it may be transferred to an 'account-based' pension without having to first be commuted.

### ***Social Security Eligibility***

Your eligibility for a government age pension is means tested.

The assets test reduces the amount of any aged pension payments to which a member may be eligible. This will give you a part pension, which will reduce to zero once your assets reach the amount set out in the current asset tables specified by the Government. The current asset tables are available [here](#).

### ***Income benefits where you may not have retired but you have reached your preservation age.***

In some circumstances, you may be able to be paid a pension before you actually retire but after you have reached your preservation age. In the fund's deed these are referred to as 'Transition to retirement pensions'.

### ***Income benefits which may become payable on the death of another person.***

In some circumstances, you may be able to be paid a pension from an amount which is rolled-over or transferred into the fund on the death of another person. In those circumstances, the trustee must use that amount to pay a pension to you. The amount will depend entirely on the balance transferred to the fund from the other person's fund.

In those circumstances, you must work closely with the trustee to ensure that the pension will not result in your transfer balance exceeding your transfer balance cap (see paragraph 4). In some circumstances, if you are already receiving a pension, and the new pension will result in you breaching your transfer balance cap, then it may be beneficial to commute part of your existing pension to ensure compliance with the transfer balance cap, and transfer the relevant assets back to your accumulation account.

## **28 Transition to retirement pensions**

Once you reach your preservation age you may still be restricted from accessing your superannuation benefits (because, for instance, you may not have retired). However, once you reach your preservation age you may access a non-commutable pension, or what the fund's deed refers to as a transition to retirement pension.

So you may receive an 'account-based' pension as a 'transition to retirement pension', but additional restrictions apply if you want to commute (or cash out) that pension. Essentially the transition to retirement pensions are 'non-commutable' but there are some very limited exceptions. If you are interested in a transition to retirement pension, you should discuss this in detail with the trustee before requesting the payment of such a pension.

## **29 Transfer balance cap of \$1.6 million**

From 1 July 2017, persons who are receiving or are to receive a pension will have a 'transfer balance'. In short, this is an amount, which is generally capped at \$1.6 million (but which will be subject to indexing over time), determined by reference to the assets which have been transferred into the pension accounts of your superannuation fund(s) for the purpose of paying pensions to you. That means that your transfer balance takes into account, for instance, assets which fund a pension from this fund, as well as assets which fund pensions paid to you from other funds. Your 'transfer balance account' must not, at any time, exceed the 'transfer balance cap'. Where your transfer balance account exceeds the transfer balance cap, either you or the trustee will be required to remove the excess assets from the pension account and either:

**29.1** transfer the excess capital back into your accumulation account (with any earnings attributable to the excess assets being taxed in accordance with the Tax Act); or

**29.2** withdraw the excess assets from superannuation.

If you or the trustee become aware of your transfer balance account breaching the transfer balance cap, you should immediately consult with the trustee to take the necessary action. This may involve withdrawing the excess assets from the pension account under this fund, or it may involve withdrawing the excess assets from the pension account you have with another fund, or both. Withdrawing the excess occurs by 'commuting' part or all of your pension.

Where the fund has borrowed money under a limited recourse borrowing arrangement, and the loan is secured by property which supports a retirement phase income stream — any repayment of the loan sourced from money in the fund's accumulation account (without a proportional repayment from the pension account) will result in a credit to your transfer balance account which is equal to the proportional amount of the loan repayment which should have been funded from the pension account. As such, you and the trustee will need to ensure that repayments of this loan are made appropriately from your accumulation account and pension account.

If on or before 30 June 2017, the value of your transfer balance account is between \$1,600,000.00 and \$1,700,000.00, then the trustee will have until 31 December 2017 to transfer the excess capital out of your relevant pension accounts (again, using one of the methods described in items 4.1 and 4.2 above). No penalty will apply within this period.

If on or before 30 June 2017, the value of your transfer balance account is above \$1,700,000.00, then by 30 June 2017 the trustee will be required to remove the excess assets using one of the methods described in items 4.1 and 4.2 above.

## **30 Taxation of benefits**

### **30.1 Seek advice**

This section is general only. You must seek professional advice concerning your own circumstances and how tax will impact on your participation in the fund and on amounts payable to you.

### **30.2 Benefits paid to you**

Superannuation benefits paid to persons **aged less than 60** are taxed as follows:

- **Lump sum benefits** have two components: an exempt component and a taxed component. The exempt component is tax free (it includes amounts such as pre-1983 contributions and undeducted contributions). The taxed component is tax free up to a low rate threshold (2014-2015 \$185,000, 2015-2016 \$195,000, 2016-2017 \$195,000, 2017-2018 \$200,000 and 2018-2019 \$205,000). After that threshold, it is taxed in accordance with applicable rates. These rates, and the relevant thresholds, are available on the ATO website.
- **Pension benefits** are taxed in a similar manner to lump sums at the moment, though overall tax can be less in some circumstances. Once the recipient turns 60, the pension is tax free provided that you comply with your transfer balance cap.
- **Proportional drawdown:** In both cases, payments are deemed to



include both exempt and taxable components, paid in proportion to the amount these components constitute of the recipient's total benefit.

### 30.3 Death benefits

Benefits paid in the event of your death are taxed as follows:

- **Lump sum benefits** to a member's dependant are tax free, as long as they are also a death benefits dependant as defined in section 302-195 of the ITAA97. Lump sum benefits paid to a dependant (who is not a death benefits dependant for ITAA97 purposes) have the taxable component taxed in accordance with applicable rates. These rates are available on the ATO website.
- If either a member dies on or after 1 July 2017, or a death benefit is to be paid on or after 1 July 2019, the fund will not be permitted to claim a tax deduction for that part of a lump-sum benefit paid to compensate for income tax paid by the fund in respect of contributions made during the deceased member's life ('anti-detriment' payments)
- **Reversionary pensions** are taxed according to the age of the primary and reversionary beneficiaries. If the primary beneficiary was aged 60 or over at the time of death, then the payments to the reversionary will be tax free. If the primary beneficiary was aged less than 60, then the payments will be taxed at the reversionary beneficiary's marginal tax rate until the reversionary turns 60 (then it will be tax-free). However, a reversionary pension will only be payable to a Pension Dependant. Also a pension paid to a Pension Dependant who is a child will have to be cashed to a lump sum when the child turns 25 (unless they're permanently disabled).
- Pensions can only revert to a Pension Dependant: simply being a dependant is not sufficient. Therefore, benefits which cannot be paid to a Pension Dependant as a pension must be paid as a lump sum to a dependant or the member's estate.

## Information about risks associated with the fund

### 31 Details of risks: General

The assets of the fund must be invested in accordance with an appropriate investment strategy as devised by the trustee. Although the trustee decides on an investment strategy aimed at increasing the value of the fund's assets, this value can be reduced by movements in the underlying value of the fund's assets, for instances movement in share or property prices. This may mean the value of the assets held in the fund for your benefit, or to pay you a pension, may be reduced. Indeed, if the performance of the fund's assets is very poor, the value of the assets held in the fund for your benefit, or to pay you a pension, may be less than the value of the contributions made to the fund on your behalf. Poor investment performance may also affect the trustee's capacity to make payments to you or to sustain the level of payments made to you. More information about risks associated with the fund borrowing in order to invest are set out under "Investment of fund assets" at paragraph 43 below.

If you choose to receive a pension then the amounts you receive are calculated by reference to the value of the assets in the fund. Therefore, if the value of the assets decreases, there may be a corresponding decrease in benefit or pension amounts payable to you and you effectively bear the risk associated with potentially poor investment performance of those assets. Broadly speaking, 100% of the amount used to fund the pension will be taken into account for the aged pension means test.

Finally, if a benefit payable to you is commuted so that the trustee may purchase:

- an annuity from a third party (such as a life assurance company), then you will have a regular income stream and the associated risk will be born by the third party; or
- an 'account-based' pension from a third party (such as a life assurance company), then the situation is the same as for an 'account-based' pension from the trustee and you effectively bear the risk associated with the variations in the value of the assets which fund the pension.

### 32 Regulatory Risk

The fund is a self-managed superannuation fund regulated by the ATO. As a member, you will also have to be a trustee, or a director of the corporate trustee. These persons are responsible for ensuring the fund complies with all relevant superannuation laws, as enforced by the ATO.

Serious consequences flow if the fund is operated in a manner inconsistent with these rules. The consequences include prosecution by the ATO or a determination by the ATO that the fund is non-complying, with the result that the concessional tax treatment of the fund ends, and the fund will receive a very significant tax assessment which is aimed at recouping the value of tax concessions previously received by the fund. Accordingly compliance of the fund with regulatory requirements is essential.

You must ensure that you are familiar with, and understand these rules. If you are not confident of this, then you should seek professional advice as to whether you will be in a position to comply with these obligations on joining the fund as a member.

## Information about amounts paid to the fund for or by you

### 33 Contributions

If you have an employer, then with the member's consent, contributions can be paid by deduction from wages or salary. In that case, the member will procure that its employer pays them to the fund in the way the trustee directs. If you are unemployed or self-employed, then you may make contributions to the fund yourself. These contributions are deductible for tax purposes, subject to the caps discussed immediately below.

Alternatively you may make contributions, or another person may make contributions on your behalf.

From 1 July 2017, if you are under age 65, or aged 65 to 74 and meet the work test, you are eligible to claim a tax deduction for personal contributions to eligible superannuation funds up to the concessional contributions cap.

### 34 Superannuation co-contributions

You will be eligible to receive a co-contribution from the Federal Government up to a maximum amount (\$500 in 2016-2017, 2017-2018 and 2018-2019) if:

- you make one or more eligible personal super contributions by 30 June of a financial year;
- your total income is less than the prescribed amount (\$51,021 in 2016-2017, \$51,813 in 2017-2018 and \$52,697 in 2018-2019). Co-contribution income thresholds from previous financial years can be found [here](#);
- 10% of your income is from employment sources, such as an employer or running your own business;
- you are 71 years or younger;
- you did not hold a temporary visa at any time during the financial year (unless you are a New Zealand citizen or it was a prescribed visa); and
- you lodge your income tax return.

You are not entitled to a super co-contribution for personal contributions that have been allowed as a tax deduction.

### 35 Low Income Superannuation Tax Offset

From 1 July 2017, the Federal Government will introduce the Low Income Superannuation Tax Offset (LISTO).

If you have an adjustable income up to \$37,000, you will receive a refund into your fund account of the tax paid on your concessional superannuation contributions, up to a cap of \$500. In effect, this means that most low income earners will pay no tax on their superannuation contributions.

### 36 Tax on concessional contributions:

A tax of 15% applies to all 'concessional' superannuation contributions. An additional amount of tax is payable by individuals who exceed a high income threshold of \$300,000. Where an individual's adjusted income and low-tax contributions are greater than \$300,000, they may have to pay an extra 15% tax on either of the following amounts, whichever is less:

- excess over the threshold; or

- actual taxable contributions.

From 1 July 2017, the high income threshold will be reduced from \$300,000 to \$250,000. This means that:

- if your excess is greater than your taxable contributions, then you will pay the extra 15% tax on all your taxable contributions; alternatively
- if your excess is less than your taxable contributions, then you will pay the extra 15% tax (30% tax in total) on the excess and 15% tax only on the rest of your taxable contributions.

**37 Caps on concessional contributions:** This paragraph sets out the cap which applies to concessional contributions. How much you can contribute to your super before having to pay extra tax depends on your age at the end of the financial year:

Financial Year	Concession (General Cap)	Age	Tax on amounts over the cap
2013 – 2014	\$25,000	under 50 years old	Included in your income tax return and taxed at your marginal rates plus the excess concessional contributions (ECC) charge.
	\$35,000	59 years old or over on 30 June 2013	
2014 – 2015	\$30,000	under 49 years old	Included in your income tax return and taxed at your marginal rates plus the excess concessional contributions (ECC) charge.
	\$35,000	49 years old or over on 30 June 2014	
2015 – 2016	\$30,000	under 49 years old	Included in your income tax return and taxed at your marginal rates plus the excess concessional contributions (ECC) charge.
	\$35,000	49 years old or over on 30 June 2015	
2016 – 2017	\$30,000	under 49 years old	Included in your

	\$35,000	49 years or over on 30 June 2016	income tax return and taxed at your marginal rates plus the excess concessional contributions (ECC) charge.
2017 – 2018	\$25,000	All ages – from 1 July 2017	Included in your income tax return and taxed at your marginal rates plus the excess concessional contributions (ECC) charge.
2018 – 2019	\$25,000	All ages	Included in your income tax return and taxed at your marginal rates plus the excess concessional contributions (ECC) charge.

There is 15% tax payable by your fund on concessional contributions paid into your superannuation fund (subject to the discussion above about the high income threshold). Generally, concessional contributions can only be made by employers or persons who are self-employed.

#### **Going over the concessional contributions cap**

For 2013-14 and later years, if you exceed your concessional contributions cap the excess contributions are included in your taxable income and taxed at your marginal tax rate plus an interest charge known as the 'excess concessional contributions' (ECC) charge (as set out in the above table).

To assist you in paying this additional tax:

- you can choose to release up to 85% of your excess concessional contributions from the fund by requesting that a release authority be issued to the trustee, which is a process pursued with the ATO; and
- you will receive a 15% tax offset in your tax return (to account for the tax paid by your fund on the excess concessional contributions).

#### **Catch-up concessional contributions**

From 1 July 2018, if you have a total superannuation balance of less than \$500,000, you will be allowed to make 'catch-up' contributions, up to your unused cap space amounts.

The ability to carry over any unused cap space amounts will commence from 1 July 2018 (that is, if you do not meet your limit in 2018-2019, you can catch up in 2019-2020). If you fail to use any unused cap space after five years it will expire.

Individuals aged 65 to 74 who meet the work test will be able to access these arrangements.

**38 Caps on non-concessional contributions:** This paragraph sets out the caps which apply to non-concessional contributions:

Financial Year	Non-Concession Cap	Tax on amounts over the cap
2013 – 2014	\$150,000	46.5%
2014 – 2015	\$180,000	47%
2015 – 2016	\$180,000	49%
2016 – 2017	\$180,000	49%
2017 – 2018	\$100,000	47%
2018 – 2019	\$100,000	47%

In addition, if you are under 65 and eligible to contribute to super, then you may bring forward two years of contributions and contribute non-concessional contributions up to three times your cap in one year (the 'bring-forward' option), and not make any contributions for the following two years. If you brought forward your contributions in 2014-2015, the 'bring-forward' cap would be \$540,000 (3 x \$180,000).

From 1 July 2017, the 'bring-forward' option in 2017-2018 will be \$300,000 (3 x \$100,000) provided your total superannuation balance is not greater than or equal to \$1.6 million. Where your balance is close to \$1.6 million, you will only be eligible to bring forward the annual bring forward cap amount for the number of years that would take your balance to \$1.6 million. From 1 July 2017, if your total superannuation balance is \$1.6 million or more, you will no longer be eligible to make non-concessional contributions.

There are transitional rules which apply to those people who triggered the bring-forward cap in either the 2015-2016 year, or the 2016-2017 year, which produces a combined figure based on the \$180,000 annual cap which applied before 1 July 2017, and the \$100,000 annual cap which applies on and from 1 July 2017. It is important that you seek professional advice to calculate these caps correctly.

**Going over the non-concessional contributions cap**

For 2013-14 and later years, if you exceed your non-concessional contributions cap (as set out in the above table) you have the following options:

- Withdraw the excess non-concessional contributions (and 85% of all associated earnings on these contributions) from your fund by requesting that a release authority be issued to the trustee, which is a process pursued with the ATO. If you choose this option then the total amount of associated earnings will be included in your assessable income and taxed at your marginal tax rate. You will receive a 15% tax offset for this in your tax return.
- Keep the excess non-concessional contributions in your fund. If you choose this option then the excess will be taxed at the rate set out in the above table.

### **39 Contributions-splitting**

Spouses may split superannuation contributions between them. Contributions-splitting allows members to ask the trustee to transfer certain contributions made after 1 January 2006 (**Splittable contributions**) made in respect of the member to the superannuation fund, or account of that member's spouse.

The contributions splitting applications must be lodged with the fund by 30 June in the financial year.

At present, the split can only take place in respect of splittable contributions made in the previous financial year.

## **Information about amounts deducted from the fund**

### **40 Debits from your Accumulation and Pension Accounts**

The trustee can make deductions from your Accumulation or Pension Accounts to, for example, meet the fund's expenses, to pay taxes (or to set aside for anticipated taxes), to pay for an insurance policy or Annuity premiums or to pay an amount from your Pension Account to your Accumulation Account or vice versa.

### **41 Other application of income**

The trustee also:

- maintains an income account: This is a general account of the fund and does not relate to a specific member. Amounts such as the income and profits of the fund or proceeds of insurance policies (which the trustee decides not to pay to a member or beneficiary) are paid into this account. From this income account the trustee can make payments to your Accumulation Account, but it may also make deductions from the income account to:
  - pay the expenses of the fund;
  - pay taxes due and payable, or likely to become due and payable;
  - pay costs of insurance policies;
  - meet losses suffered on disposal of an asset of the fund and so on.
- may maintain an Equalisation Account: This is also a general account of the fund. The trustee may decide to pay amounts into this account to:
  - smooth the investment earnings of the fund (that is, to even out years of good growth and performance with years of poor growth and performance);
  - provide for tax liabilities;
  - pay fund expenses;

- otherwise provide for contingencies of the fund.

The trustee is not permitted to charge fees in relation to the services it provides to the fund.

## **Other significant information about the fund**

### **42 Preservation Age**

Set out below are the Preservation Ages relevant to members of the fund:

- for a person born before 1 July 1960 – 55 years
- for a person born during the year 1 July 1960 to 30 June 1961 – 56 years
- for a person born during the year 1 July 1961 to 30 June 1962 – 57 years
- for a person born during the year 1 July 1962 to 30 June 1963 – 58 years
- for a person born during the year 1 July 1963 to 30 June 1964 – 59 years
- for a person born after 30 June 1964 – 60 years.

### **43 Reporting Transfer Balance Account Events**

From 1 July 2018, the trustee of a self-managed super fund must lodge a Transfer Balance Account Report (TBAR) with the ATO using the prescribed form in respect of each member to whom a 'transfer balance account event' occurs. The ATO uses this information to record and track a member's transfer balance account and total superannuation balance. The deadline by which the report must be lodged depends on the member's total superannuation balance.

Events which require reporting, include but aren't limited to the following:

- retirement phase income streams in existence before 1 July 2017 and which are still being paid to the member;
- if occurring after 1 July 2017:
  - retirement phase income streams that have commenced;
  - member commutations; and
  - commutations effected to comply with a commutation authority issued by the Commissioner of Taxation.

Although the trustee is not required to lodge a TBAR until after 1 July 2018, it must ensure that any reportable events which occur between 1 July 2017 and 30 June 2018 are reported in the TBAR.

### **44 Investment of fund assets**

The trustee is permitted to make a wide range of investments provided that they accord with the trustee's investment strategy. The trustee is required to establish an investment strategy or strategies, outlining how the assets of the fund will be invested. The trustee can alter the strategy or strategies provided they remain appropriate. If the trustee offers more than one strategy, you may choose the appropriate strategy but you cannot choose the investments the trustee is to make within the strategy.

The trustee cannot loan money from the fund to a member or a member's relative.

The trustee may borrow money to make any investment — but only in restricted circumstances. In such cases:

- the only fund asset that may be used as security for the borrowing is the asset



that the fund is acquiring with the borrowed money;

- the asset acquired must be an asset which the fund could ordinarily and lawfully acquire (for example, the fund is prohibited from acquiring assets which do not satisfy the sole purpose test in section 62 of the SIS Act – this stays the same even though the fund is borrowing to acquire the asset);
- the terms on which the asset is acquired must meet strict requirements set out in superannuation law.

The risks associated with any investment (as described generally under "Details of risks: General" at paragraph 31 above) increase when made using borrowed money. You should always obtain professional advice before making any such investment.

The trustee is required to hold money and other assets of the fund separately from those which it holds personally.

When preparing statements of the fund's financial position, the fund's operating statement or any other account or statement required by the SIS Act or the SIS Regulations, the trustee is required to value the fund's assets at their market value. Market value has the same meaning as in the SIS Act.

#### **45 Valuation of fund assets**

The Trustee will ensure that the fund's assets are valued at their market value. Market value has the same meaning as in the SIS Act.

#### **46 Taxation**

##### **46.1 Income of the fund**

For tax purposes, the fund's income is divided into 2 components:

- Non-arms length component: which includes income such as private company distributions, non arms-length income and trust distributions, reduced by tax deductions relating to that special income.
- Low tax component: which is the total of all fund income, less the non-arms length component.

The low tax component is taxed at the concessional rate of 15% in the hands of the trustee. The non-arm's length component is taxed at the rate of 45% plus the 2% Temporary Budget Repair Levy (which will cease to apply after the 2016-2017 income year).

##### **46.2 Pension earnings**

Generally, while you are alive the fund will not have to pay income tax on income or capital gains attributable to the assets in your pension account.

However, from 1 July 2017, the tax exempt status of income from assets supporting transition to retirement pensions will be removed. Earnings from assets supporting transition to retirement pensions will be taxed concessionally at 15%.

##### **46.3 Contributions**

Contributions to the fund (made by your employer, yourself, your spouse, etc) are generally treated as contributions of capital and will not be included in the fund's Income. However, if the person making a contribution is entitled to a tax

deduction in relation to that contribution, then the contribution will usually be treated as fund Income and will be taxed as outlined in paragraph 46.1 above.

Information about the deductibility of contributions is in paragraph 33 above.

#### **46.4 Surcharge on High Income Earners**

With effect from 1 July 2005 the superannuation contributions surcharge was abolished in respect of all contributions made **on or after 1 July 2005**. However it still applies to contributions made before that date. From 1 July 2012 the arrangements in respect of a high income threshold of \$300,000 (\$250,000 from 1 July 2017) apply – see discussion at paragraph 33.

#### **46.5 Low Income Spouse Offset**

If a person makes a contribution on behalf of a member who is their low income (or no income) spouse, the person making the contribution may be entitled to a tax offset of up to \$540 per year.

A member who makes a contribution can get the full tax rebate if:

- they contribute at least \$3,000 to their spouse's account; and
- their spouse's assessable income is less than \$10,800 for the financial year.

If you contribute less than \$3,000, the tax offset will be equivalent to 18% of your contributions. If your spouse's income is higher than \$10,800, the tax offset reduces until it cuts out when your spouse's income reaches \$13,800.

From 1 July 2017, the 18% offset of up to \$540 will be extended from those with an income of up to \$10,800 to those with an income of up to \$37,000. Similarly, the point at which the tax offset reduces will be increased from \$13,800 to \$40,000.

No changes to the current age based contributions rules will apply from 1 July 2017. The spouse receiving the contribution must be under age 70 and meet a work test if aged 65 to 69.

**47 Insurance**

As part of its investment strategy, the trustee will consider whether to hold a contract of insurance that provides insurance cover for one or more members of the fund.

**48 The fund deed**

The fund deed is written in plain English. Provisions that are not relevant to the particular fund of which you are a member have been excluded. For example, if individuals are trustees of the fund, then all provisions relevant to a company being a trustee of the fund have been removed. Therefore, if a company is later appointed as trustee, the fund deed will have to be varied to include the relevant provisions.

You should read the trust deed and seek professional advice if you do not understand it.

**49 Other considerations concerning investments made by the fund**

The trustee is required to inform you of whether labour standards or environmental, social or ethical considerations are, or will be, taken into account when the trustee selects, retains or realises an investment. At this stage, the trustee does not take any such considerations into account. However, the trustee is obviously free to incorporate this into its investment strategy if it sees fit.

**50 Contacting the trustee for additional information**

If at any time you require further information including information concerning the fund, the fund deed, the fund's performance or your rights as a member, you can contact the trustee using the contact details at the beginning of this PDS.

## Product Disclosure Statement – Schedule 1

### Definitions

Where a term is capitalised in this PDS, the meaning is either explained below or is explained in the trust deed:

**Accumulation Account** means the account established for you by the trustee. Each member of the fund has an Accumulation Account, into which are paid that member's contributions or contributions made on behalf of that member, as well as other amounts specific to that member (such as the proceeds of an insurance policy taken out by the trustee for your benefit).

**Annuity** means what it means under superannuation law. Essentially, it refers to a financial product which is purchased by providing a lump sum (capital) to the financial product supplier who undertakes to pay you an income for a specified time. Unlike a pension, the capital disappears when you purchase the annuity and you receive a contractual right to receive income.

**Commute** has the same meaning as under superannuation law. Generally, it refers to when a right to receive a **regular payment** (like pension or annuity payments) is converted into the right to receive a **lump sum payment**.

**Dependant** – in relation to a member, former member or beneficiary (the 'primary person'), means each of the following:

- the spouse or widow or widower of that primary person.
- any child of that primary person, including a person who, in the trustee's opinion, is or was actually maintained by the primary person as the child of the primary person.
- any person with whom the primary person has an interdependency relationship.
- any other person who, in the trustee's opinion, was substantially dependent on the primary person at the relevant time.

**Pension** refers to a financial product which is purchased by providing a lump sum (capital) to the financial product supplier, who invests the lump sum, manages that investment, and pays you a regular income from the proceeds of those investments. As well as paying you the proceeds of the investments, the financial product supplier may include in your payments part of the initial capital you contributed.

**Pension Dependant** means a dependant of a member to whom a pension may be paid on the member's death, as defined by regulation 6.21(2A) of the SIS Regulations.

**Preservation Age** means what it means under superannuation law. Essentially it is the minimum age after which your benefit arising from a preserved payment may be paid to you. Those ages are set out in paragraph 42 above.

**Preserved Payment** means a payment made to the fund which is required to be preserved under superannuation law if the fund is to be a complying superannuation fund.

**Retirement** occurs:

- if you have reached a Preservation Age less than 60, and
- an arrangement under which you were gainfully employed comes to an end; and
- the trustee is reasonably satisfied that you never intend to become gainfully employed (either full time or part time); or

- if you have reached age 60 and an arrangement under which you were gainfully employed has come to an end and either of the following circumstances apply;
- you have attained that age on or before ending employment; or
- the trustee is reasonably satisfied that you never intend to become gainfully employed (either full time or part time).

**Superannuation Contributions Surcharge** means an amount which you may be liable to pay if your taxable income is greater than the relevant superannuation surcharge level for a year of income.

**Tax Act** means the *Income Tax Assessment Act 1936* or *Income Tax Assessment Act 1997*, as appropriate, and the regulations made under the relevant Act.

**Total Superannuation Balance** has the same meaning as in section 995-1(1) of the Tax Act.

**Transfer Balance Account** has the same meaning as in section 995-1(1) of the Tax Act.

**Transfer Balance Cap** has the same meaning as in section 995-1(1) of the Tax Act.

# SW Larkman Super Fund

## Instructions for use of Certificate of Compliance

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Used when the member “rolls over” (transfers) benefits from another fund to the SW Larkman Super Fund.

### What is the certificate for?

If a member transfers money from another super fund into the member’s SMSF, then the other fund may require one of these certificates.

### What is certified?

By signing the Certificate the trustee(s) of the Fund certifies that:

- 1 It is a regulated superannuation fund under the SIS Act;
- 2 It is a complying superannuation fund under the SIS Act;
- 3 It is not subject to a direction under Section 63 of the SIS Act; and
- 4 Its trust deed permits the receipt of rolled over or transferred benefits.

### What should the trustee do before signing?

**IMPORTANT:** Before the fund's trustee(s) sign the certificate they must make sure that:

- items 1-4 above are true; and
- the Fund must both have chosen to be regulated by the Australian Taxation Office (ATO) and have told the ATO of that choice — which the Fund does on the form used to apply for an ABN (Australian Business Number).

## SW Larkman Super Fund (Fund)

To whom it may concern

### Trustee Certificate of Compliance —

**(This is not the “Notice of Compliance” that the Australian Taxation Office provides)**

**This Trustee’s Certificate of Compliance is to be used when the member “rolls over” (transfers) benefits from another fund to the SW Larkman Super Fund.**

The Trustee(s) of the Fund certify/ies that the Fund:

- 1 Is a regulated superannuation fund under the *Superannuation Industry (Supervision Act) 1993 (SIS Act)*.
- 2 Is a complying superannuation fund within the meaning of section 42A of the SIS Act.
- 3 Is not subject to a direction under Section 63 of the SIS Act and is therefore able to accept employer contributions.
- 4 Is empowered by the Fund's trust deed to receive rolled over or transferred benefits.
- 5 Has received consent to the rollover from the relevant member, as set out below, in accordance with r6.28(i)(b) of the *Superannuation Industry (Supervision) Regulations 1994*.

Signed for and on behalf of the Trustee(s):

Signature of Trustee:

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Name:

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Date:

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### Member’s Consent to the “rollover”

I, \_\_\_\_\_ (member name), by signing this form, consent to the rollover of my benefits into the **SW Larkman Super Fund**.

Signature of Member:

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Date:

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