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NOREMAC SUPER FUND
GENERAL LEDGER FOR THE PERIOD 01/07/2019 TO 30/06/2020
FROM ACCOUNT 412/001 TO 416/999 - ENTRIES: ALL

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Date	Ref	Type	Units	Debits \$	Credits \$	Balance \$
<u>413</u> <u>Pensions Paid - Unrestricted Non Preserved - Tax Free</u>						
<u>413/003</u> <u>Cameron, Christopher John</u>						
30/06/2020	782009	Journal - Cash		7,996.02		7,996.02
Narration: reallocate pension payments						
<u>413/004</u> <u>Cameron, Margaret Anne</u>						
30/06/2020	782009	Journal - Cash		8,052.74		8,052.74
Narration: reallocate pension payments						
<u>416</u> <u>Pensions Paid - Unrestricted Non Preserved - Taxable</u>						
<u>416/003</u> <u>Cameron, Christopher John</u>						
30/06/2020	782009	Journal - Cash		13,303.98		13,303.98
Narration: reallocate pension payments						
<u>416/004</u> <u>Cameron, Margaret Anne</u>						
30/06/2020	782009	Journal - Cash		8,647.26		8,647.26
Narration: reallocate pension payments						

Total Debits: **\$38,000.00**

Total Credits:

Current Year Profit/(Loss): **N/A**



ACTUARIAL CERTIFICATE

Income Tax Assessment Act 1997 (the Act), Section 295.390

We have been requested by Act2 Solutions to prepare an Actuarial Certificate in compliance with the Act for the following Self-Managed Super Fund (SMSF);

NOREMAC SUPER FUND (the Fund)

Trustee(s): Christopher Cameron, Margaret Cameron

We have been advised the Fund is a complying Self-Managed Super Fund. This certificate is for the year ended 30/06/2020

Results and Segregation

The Exempt Current Pension Income (ECPI) proportion we have calculated for the unsegregated periods set out below is;

86.457%

This certificate relies on the information that we have been provided. If any of the information is incorrect or materially changes, please request an amendment.

There were no actively segregated assets during the year of income.

Effective from 1st July 2017, where the Fund does not have Disregarded Small Fund Assets, during any periods where 100% of the SMSF's liabilities are Retirement Phase superannuation income stream benefits then the assets and income derived during these periods are deemed to be segregated and excluded from the calculation of the ECPI.

The table below sets out any deemed segregated periods, based on the information we have been provided. The appropriate treatment of earnings for the different periods is also set out in table and care should be taken to ensure that the appropriate exemption is applied to each period.

<u>Start Date</u>	<u>End Date</u>	<u>ECPI Method</u>	<u>Taxation treatment of relevant earnings</u>
01/07/2019	30/06/2020	Unsegregated	86.457% of earnings are exempt.

We were advised that there were no periods during the income year where the only superannuation liabilities were in respect of Retirement Phase superannuation income stream benefits.

NOREMAC SUPER FUND

Liabilities

I am advised the unsegregated net assets at 30/06/2020, prior to application of the above ECPI, which are also equal to liabilities of the Fund, were;

Current Pension Liabilities: \$1,718,046

Current Superannuation Liabilities: \$2,061,435

These figures are from draft financial statements. Please note that there is no need to request a revised ECPI if these balances change due to tax or investment income as these do not impact the ECPI calculation.

I certify that I am satisfied that the value of the stated liabilities of the Fund at 30/06/2020 is also the amount of the Fund's assets on this date. These assets plus any future contributions plus expected future earnings will provide the amount required to discharge the liabilities as they fall due.

Exempt Current Pension Income (ECPI)

Subsection 295.390(1) of the Act states "that a proportion of ordinary income and statutory income of a complying superannuation fund that would otherwise be assessable income is exempt from income tax."

To assist the trustee with calculating this proportion for the year of income ending 30/06/2020 set out below is a proportion that is calculated consistently with the Act.

Average Value of Current Pension Liabilities: \$1,742,248

Average Value of Superannuation Liabilities: \$2,015,167

ECPI Proportion: 86.457%

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

Please Note: The average values are time weighted average balances over the financial year and exclude net investment earnings and expenses. These average values are appropriate to calculate the proportion on the assumption that the Trustee will allocate the relevant unsegregated assessable income in proportion to member's unsegregated account balances at a fixed crediting rate throughout the unsegregated period.

Data Summary

The data on which the above certification and calculation is based has been provided by Act2 Solutions. A summary of this data is set out below;

Transaction Summary

	<u>Contributions</u>	<u>Benefit Payments</u>	<u>Transfers</u>
Total Fund Transactions	\$96,710	\$38,000	
Christopher Cameron	\$24,000	\$21,300	
Margaret Cameron	\$72,710	\$16,700	

NOREMAC SUPER FUND

Balances as at 30/06/2020

	<u>Retirement Phase</u>	<u>Total Balance</u>
Total Fund Balance	\$1,718,046	\$2,061,435
Christopher Cameron	\$827,098	\$1,097,859
Margaret Cameron	\$890,948	\$963,576

Assumptions and Notes

I have been advised by Act2 Solutions that the relevant pension liabilities meet the requirements to be considered a retirement phase superannuation income stream. This advice has been relied upon in preparing this certificate.

There were no Disregarded Small Fund Assets as defined in section 295-387 of the Act applicable to the Fund at any time during the year of income;

I have been advised that the values at 01/07/2019 are from audited financial statements and that the values for the financial year are from unaudited draft financial statements. If there are material changes after the certificate was issued an amendment should be requested.

As the fund only contained account-based pensions and member accounts in accumulation phase, the liabilities have been taken to be the balances of the relevant accounts and reserves (if any). We have been advised there are no unusual terms or guarantees in the SMSF however should this be incorrect please contact Act2 Solutions as this certificate may need to be revised.

For the calculation of the exempt proportion we have relied on data provided that included the Fund's balances in accumulation phase, the Fund's balances in retirement phase, transactions within, to and from the Fund during the year.

The Fund contained only member accounts in accumulation phase and account-based pensions. Therefore, no assumptions about future inflation, future contributions, investment returns or discount rates have been required to calculate the ECPI.

The preparation of this actuarial certificate and the determination of the liability values are in accordance with Professional Standard 406 of the Institute of Actuaries of Australia.

Yours sincerely,



James Fitzpatrick
Fellow of the Institute of Actuaries of Australia

11th February, 2021

45

Dear Trustees,

Your Self-Managed Superannuation Fund Administrator has requested that we prepare an actuarial certificate for your SMSF to comply with Section 295.390 of the Income Tax Assessment Act 1997. The actuary James Fitzpatrick of Waatinga has calculated the tax exempt percentage and has prepared the certificate as requested. This letter and the enclosed certificate and attachments set out the information and assumptions used to calculate the tax exempt percentage.

We understand that the assets of the Fund were unsegregated (totally or partially) for at least some of the income year in question and that the Fund held a combination of Retirement Phase (Pension) and non-Retirement Phase accounts. Further, we understand that the Retirement Phase accounts have not been exclusively supported by segregated assets. In these circumstances a certificate is required from an actuary that determines what proportion of the income received during any unsegregated periods of the income year is eligible to be exempted from income tax.

Effective from the 2017/18 year onwards, if there are any periods of the income year where the only accounts held by the Fund are Retirement Phase accounts, these periods are known as Deemed Segregated Periods (DSPs) and the Segregated Method is generally used to determine the Exempt Current Pension Income (ECPI) during those periods. As a result of this requirement, the calculation of a tax exempt percentage for the Unsegregated Periods must ignore all data from the DSPs.

The tax exempt percentage specified in the actuarial certificate applies to the net ordinary and statutory assessable income (excluding assessable contributions, non-arm's length income and income derived from any segregated assets) received during the Unsegregated Periods for the given income year.

As a general guide, the tax exempt percentage is calculated as the average Retirement Phase balances as a proportion of the average total Fund balances.

Regards,



Andy O'Meagher
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