

Rachel Green-Luther

From: Rachel Green-Luther
Sent: Monday, 27 June 2022 10:28 AM
To: Danny Dekker
Cc: Adrian Tan
Subject: RE: Retirement

Hi Danny,

Hope you are well.

Our team agrees that you would meet the retirement definition on your 60th birthday, and would have full access to your super balance.

This is based on the provision that once you reach 60, you intend never to again become gainfully employed, either on a full-time or a part-time basis.

You can earn passive income in your personal and business tax returns, without affecting your access to your super balance.

We will continue to discuss this over the next few years.

Kind regards,
Rach

From: Danny Dekker <dannypdekker@hotmail.com>
Sent: Wednesday, 22 June 2022 5:15 PM
To: Rachel Green-Luther <RachelG@virtusuper.com.au>
Cc: Adrian Tan <adriant@mtaccountants.com.au>
Subject: Re: Retirement - Div 7 loans

SEE BELOW

Danny Dekker

P.O. Box 438

Coogee NSW 2047

Ph: 0412 423 560

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From: Rachel Green-Luther <RachelG@virtusuper.com.au>
Sent: Wednesday, 22 June 2022 5:11 PM
To: Danny Dekker <dannypdekker@hotmail.com>
Cc: Adrian Tan <adriant@mtaccountants.com.au>
Subject: RE: Retirement - Div 7 loans

Hi Danny,

Hope you are well.

Following from our chat, I am still exploring retirement options for when you reach your 60th birthday.
Have you ever been in paid employment? YES, 20 YEARS AGO
If so, roughly when did you stop being in paid employment? I THINK 12 YEARS AGO AT THE ATO SAID IT WAS THE LAST TIME I WAS EMPLOYED/REC'D A WAGE
Once you reach 60, confirm you intend never to again become gainfully employed, either on a full-time or a part-time basis? NEVER EVER TO WORK AGAIN UNLESS I BECOME POOR

Once you are considered retired for superannuation purposes, this does not prevent you from earning passive income.
SO I CAN STILL EARN AN INCOME?

If you have any further questions, please let me know.

Kind regards,
Rach



Rachel Green-Luther
Senior Accountant

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From: Danny Dekker <dannypdekker@hotmail.com>
Sent: Tuesday, 21 June 2022 8:45 PM
To: Adrian Tan <adriant@mtaccountants.com.au>; Rachel Green-Luther <RachelG@virtusuper.com.au>
Subject: Re: Retirement - Div 7 loans

thank you

Danny Dekker

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From: Adrian Tan <adriant@mtaccountants.com.au>

Sent: Tuesday, 21 June 2022 5:26 PM

To: 'Danny Dekker' <dannypdekker@hotmail.com>; Virtu - RachelG - External <rachelg@virtusuper.com.au>

Subject: RE: Retirement - Div 7 loans

Hi Danny,

Hope you are well mate.

With regard to Division 7A we have the flexibility to repay the loans through various ways.

1. We can pay a wage to you that you decide not to physically withdraw but instead put towards the loan.
2. We can pay a dividend (subject to available retained earnings and franking credits) OR
3. We can physically return the cash back to the company which has occurred over the past couple of financial years.

Only Option 1 would constitute an employment like arrangement and this has not been in place in the 2021 and 2022 financial years.

Rachel mentioned she is looking into something for you regarding retirement conditions and whether an employment arrangement is vital.

If you payout the Division 7A Loan to DDP Pty Ltd can the company drip feed income to yourself personally

Yes you can by receiving a dividend from the company, it just cannot be in the form of a wage.

Will this affect my pension status? Rachel will address this further per above but find some additional comments below.

How much can you earn when you are on Pension Stage including if you sold your rental property owned in personal name

The pension is tax free as you will be over 60 and will not be considered as part of your personal taxable income. The income you earn in your personal name via dividends, rental properties, capital gain from sale of properties etc will not cause any issues and the usual individual tax thresholds will apply.

Selling Property before age 60 Vs after Age 60

No difference from a personal tax position point of view and will not affect your pension status.

Kind Regards,
Adrian

PS – We are always open for new business so please pass on our details to any friends, family or colleagues whom would benefit from our services.

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From: Danny Dekker <dannypdekker@hotmail.com>

Sent: Tuesday, 21 June 2022 10:11 AM

To: Adrian Tan <adriant@mtaccountants.com.au>; Virtu - RachelG - External <rachelg@virtusuper.com.au>

Subject: Retirement - Div 7 loans

Hi Adrian,
I have cc Rachel from Virtu Super in this email.

I have a question about retirement, income and accessing my Super Fund.

Rachel has explained that when I hit the age 60, I am able to enter 'pension' stage and start to access my Super Fund monies, however I must not be in 'paid employment' at this time. With the payments of the Div 7A loan, is this like liken to being in employment? If I pay out the Div 7A loan to DDP P/L, the Company will have \$500K sitting in the bank (or in the mortgage offset account). Can the DDP P/L drip feed income to DD each year? Will this affect my pension status?

How much \$\$\$ can I earn when I'm in Pension stage?

When I'm in Pension stage, income to me from the SuperFund will be Tax free and I believe if I sell the property that the superfund owns, it will be free of GCT. What happens when I sell a property in my own name. How will CGT affect me when in Pension stage? Because I know that the CGT will be treated as income for that financial year. This could be well over \$150K in that one financial year.

Obviously I will still obtain income from renting properties in my own name, how will this income affect my Super Fund/Pension status?

What if I sell a property in my own name before the age 60, will it be different to selling it at over 60?

Danny Dekker

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