



Our ref: PXO:SHB:10191675

30 August 2017

Erin Falvey

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Dear Erin

### Superannuation estate plan - Stuart and Margaret Jensen

Thank you for asking us to advise on the implications of the changes to superannuation announced in the 2016 budget to Stuart and Margaret's estate plan.

This advice is limited to the estate planning issues that relate to their superannuation. We have not been asked to advise in relation to their estate planning in a broader sense, in particular in relation to the terms of their Wills or any powers of attorney in place.

### Background

1. Stuart and Margaret are both members of the Roof & Building Service (QLD) Superannuation Fund. Their sons Scott and Hilton are also members. All four are directors of the company that is the trustee of the Fund. *— x only Stuart M J*
2. They have account based pensions in place.
3. Stuart and Margaret have agreed with the trustee of the Fund to commute their pensions over their transfer balance cap of \$1,600,000 back into accumulation.

### Wishes for the superannuation

4. The intention of Stuart and Margaret remains for their superannuation to pass to the surviving spouse and then to their sons, Hilton and Scott in equal shares.
5. To achieve this, Stuart and Margaret signed binding death benefit nominations.

### Binding nomination

6. The binding death benefit nominations require their superannuation benefit be paid to the surviving spouse on the death of one.
7. Because of the transfer balance cap, if either Stuart or Margaret dies, there is a limit on the amount we can transfer to the survivor within the Fund (currently \$1.6 million). The excess is then paid directly to the surviving spouse.
8. There are other alternatives for dealing with their superannuation on the death of one of Stuart and Margaret. For example, each could leave the excess to a testamentary trust for the survivor



and your family. This would provide additional flexibility for the survivor, rather than requiring it to go directly to the survivor.

Please let us know if you would like further advice on these alternatives.

9. If Stuart or Margaret do not survive the other, the nominations direct the superannuation in the Fund to be paid to their estate, where it will be dealt with under the terms of the Wills.
10. The Wills state that the superannuation forms part of the remainder of the estate, and is divided in equal shares into testamentary trusts of which their sons, Hilton and Scott, are the primary beneficiaries.

#### Trust deed

11. We prepared a Deed of Variation in March 2008 for the Fund. Provided Stuart and Margaret have signed those documents, the deed is up to date and allows for binding death benefit nominations. Therefore, we would not need to update the document.
12. Provided that the Deed has not been varied since, the binding death benefit nominations would still be valid and the superannuation will be distributed as set out in the binding death benefit nominations.

#### Commutation Agreements

13. The commutation agreement does not impact the estate plan that we prepared for Stuart and Margaret and the super will still be dealt with as per the initial wishes of Stuart and Margaret.
14. We have not reviewed the commutation documents to express a view on whether they are effective.

On this basis we see no reason to amend the Wills and the estate planning documents still reflect the intentions of Stuart and Margaret. We cannot confirm whether the documents are appropriate if their intentions have changed.

Please contact us if you would like to arrange a further discussion about your estate planning.

Yours faithfully  
**COOPER GRACE WARD**



**Pieter Oosthuizen**  
Paralegal  
T 61 7 3231 2938  
F 61 7 3231 8938  
E [Pieter.oosthuizen@cgw.com.au](mailto:Pieter.oosthuizen@cgw.com.au)



**Scott Hay-Bartlem**  
Partner

From: **Erin Falvey** em.falvey@bigpond.com  
Subject: Fwd: SUPER FUND R&BS QLD  
Date: 4 August 2017 at 12:47 PM  
To: scott.hay-bartlem@cgw.com.au

Hello Scott,

Attached is Superannuation Strategy Summary prepared for Stuart and Margaret Jensen.

As discussed, Stuart would like you to pass your comments in relation to the Estate Planning.

Many thanks for your assistance.

Regards  
Erin Falvey

Begin forwarded message:

**From:** Stuart Jensen | Roof and Building Service <[Stuart@roofandbuildingservice.com.au](mailto:Stuart@roofandbuildingservice.com.au)>  
**Subject:** SUPER FUND R&BS QLD  
**Date:** 29 June 2017 at 11:09:16 AM AEST  
**To:** 'Erin Falvey' <[emfalvey19@gmail.com](mailto:emfalvey19@gmail.com)>

Hi Erin,

Michael Oates came yesterday afternoon and went over all the changes with Margaret and myself.

We have all signed where necessary and I am returning the documents to Michael today.

Attached is your copy.

Many thanks for all you help.

Regards  
Stuart

**Stuart Jensen**  
Consultant

**R&BS**

Water penetration solutions.

e [stuart@roofandbuildingservice.com.au](mailto:stuart@roofandbuildingservice.com.au)  
m 0437 073 365 p 1800 550 037  
w [roofandbuildingservice.com.au](http://roofandbuildingservice.com.au)

From: Laurence Jensen | Roof and Building Service laurie@roofandbuildingservice.com.au  
Subject: Superannuation Cap Letter  
Date: 31 May 2017 at 10:46 AM  
To: Erin Falvey em.falvey@bigpond.com



Hi Erin

See attached from the ATO re Margaret's Superannuation

Thanks  
Laurie

Laurence Jensen  
Finance Manager



e laurie@roofandbuildingservice.com.au  
m 0488 700 692 p 1800 550 037  
w roofandbuildingservice.com.au

POST BOX 9081 ALBURY NSW 2640



Australian Government  
Australian Taxation Office

MARGARET JENSEN  
21 ORWELL ST  
CAMP HILL QLD 4152

Our Reference: SPR TBC  
Phone: 13 10 20  
Client ID: 483 655 242  
26 May 2017



## New superannuation rules start 1 July 2017

- › What you need to do to avoid paying extra tax
- › The new transfer balance cap for retirement income stream accounts will affect you

Dear Margaret,

From 1 July 2017, the total amount you can transfer into your retirement income stream accounts, such as pensions and annuities, is limited to \$1.8 million. This is called the **transfer balance cap**.

Information we have received from your super fund (or funds) shows that you may be at risk of exceeding this cap. However, as some funds have not yet reported their 2015-16 information to us, we recommend you check the total balance of your retirement income stream accounts.

### What you need to do

Check with all your income stream providers (such as super funds) to confirm if the total balance of your pension or annuity accounts will be more than \$1.8 million on 30 June 2017.

### FIND OUT MORE

To find out more about:

- › changes to super law, go to [sto.gov.au/superchanges](http://sto.gov.au/superchanges)
- › the transfer balance cap, go to [sto.gov.au/transferbalancecap](http://sto.gov.au/transferbalancecap)
- › your personal options, consider seeking advice from a registered financial or tax adviser, or talking to your super funds.

# Statement of Advice

## Superannuation Strategy Summary

Dated 28 June 2017



Prepared for  
**Roof & Building Service (QLD) Pty Ltd**  
**Superannuation Fund**  
Members  
**Stuart William Jensen, Margaret Jensen,**  
**Scott Alan Jensen and Hilton Paul Jensen**

Roof & Building Services (Qld) Pty Ltd  
PO Box 426  
HAMILTON CENTRAL QLD 4007

Prepared by

**Michael Oates**

Level 3  
400 Queen Street  
Brisbane Qld 4001  
Telephone: 07 30041100

Representative, number 264333, of  
Bastion Superannuation Solutions Pty Ltd  
Australian Financial Services Licence Number: 278280  
ABN 70 105 016 984

## Summary of Our Advice

This section summarises our advice to you. We recommend that you also read the rest of the document to ensure you understand what we have proposed for you.

### Your Goals and Objectives

The details below give an outline of your current goals and the advice being provided to achieve those goals.

#### Your Goals and Time frame

You wish to review your superannuation fund in order to comply with the introduction of a general transfer balance cap of \$1,600,000 commencing on 1 July 2017.

To comply with the general transfer balance cap your superannuation interests will need to be restructured before 30 June 2017.

### Recommendations

This Statement of Advice (SOA) outlines the options available to you along with our recommendations.

#### **Stuart & Margaret to undertake a pension commutation strategy**

Based on the 2016 financial statements for your Self-managed Superannuation Fund, it is likely that you will be required to commute a portion of your account based pension entitlements back to accumulation phase, to ensure you comply with the new \$1,600,000 pension transfer balance cap from 1 July 2017.

#### **Use of proportionate method and election to apply CGT relief**

For the purposes of calculating the Fund's exempt pension income during the 2017 financial year the Trustees will need to use the proportionate (unsegregated) method. This method has been used in prior years.

We recommend that the Trustees consider electing to reset the cost base of all Fund assets that have unrealised gains at 30 June 2017.

## About the Fund Members

### Your Personal Details

<b>Given Names</b>	Stuart William	Margaret
<b>Surname</b>	Jensen	Jensen
<b>Age</b>	77	70
<b>Date of Birth</b>	3 July 1939	15 November 1946
<b>Marital Status</b>	Married	Married

<b>Given Names</b>	Hilton Paul	Scott Alan
<b>Surname</b>	Jensen	Jensen
<b>Age</b>	47	36
<b>Date of Birth</b>	10 April 1970	28 May 1981

### Your Current Fund Member Accounts

<b>Roof &amp; Building Service (QLD) Pty Ltd Superannuation Fund</b>	<b>Account Type</b>	<b>Tax Free %</b>	<b>Account Balance 1/7/2016</b>
Stuart	Account Based Pension commenced 1 July 2014	78.37%	\$1,930,427.11
Stuart	Accumulation		\$50,001.83
Margaret	Account Based Pension commenced 1 July 2014	71.84%	\$1,967,651.57
Margaret	Accumulation		\$114,848.78
Hilton	Accumulation		\$244,715.77
Scott	Accumulation		\$138,139.19

We understand that you have no other superannuation accounts with any other superannuation provider.

### Incomplete or Inaccurate Information

Bastion Superannuation Solutions administers the Roof & Building Service (QLD) Pty Ltd Superannuation Fund. We have requested that where you have superannuation interests in another superannuation fund that you supply these details to our office.

Failure to disclose these details could potentially reduce the effectiveness of our advice and may cause you to not comply with the changes to superannuation effective 1 July 2017.

Our advice is or may be based on incomplete or inaccurate information relating to your relevant personal circumstances. Accordingly, before acting on the advice, you should consider its appropriateness, having regard to your personal circumstances and needs,

goals and objectives. If you believe the advice is not appropriate please let me know immediately so that the advice can be reviewed.

*The advice within this document relates to your Self-Managed Superannuation Fund only and the implications of the new General Transfer Balance Cap. We have not included any reference to other assets you may own or your personal tax situation outside your self-managed superannuation fund.*

## Scope of advice

On this occasion you have sought advice about the following matter:

- Assisting with restructuring superannuation interests in your self-managed fund to comply with the government's changes to the taxation of superannuation that are effective 1 July 2017

You have agreed that we should address Superannuation Strategy only.

Please note that, under the financial services licensing regime, we are only authorised to provide financial product advice and to deal in relation to superannuation and life insurance risk products. Bastion Superannuation Solutions Pty Ltd does not provide investment advice or individual financial planning advice.

While this document comprehensively covers the type of advice requested if a fuller consideration of your objectives, financial situation and needs is required, we suggest that you see a financial planner. If you do not already have a preferred financial planner, we refer you to Mr Ian Davidson whose contact details appear below.

*Ian Davidson  
Davidson Financial Group Pty Ltd  
Level 12, 100 Edward Street, Brisbane QLD 4000  
GPO Box 1874, Brisbane QLD 4001  
Telephone (07) 3067 7960  
Email: i.davidson@davidsonfg.com.au*

## Superannuation Advice

### Stuart and Margaret to undertake a pension commutation strategy

From 1 July 2017, a cap of \$1.6 million will commence on the amount of superannuation that an individual can have in retirement phase (i.e. account based pensions, market linked pensions and complying pensions) where there is no tax on the earnings. The balance of an individual's superannuation interests will be required to be in accumulation phase where earnings are taxed at a maximum of 15% (or alternatively must be withdrawn from the superannuation system).

As Stuart and Margaret's total pension balances will exceed \$1,600,000 each, they will be required to rollback a portion of their pension entitlements to accumulation phase or

withdraw these from superannuation entirely, on or before 30 June 2017, to comply with the new general transfer balance cap.

It is important that action is taken on or before 30 June 2017 as breaches of your personal transfer balance cap can result in you paying excess transfer balance tax. Should you continue to leave a balance over the cap in retirement phase, the penalties will escalate over time.

Below is a table that summarises your pension accounts and the value of these as at 1 July 2016.

<b>Roof &amp; Building Service (QLD) Pty Ltd Superannuation Fund</b>	<b>Account Type</b>	<b>Account Balance 1/7/2016</b>	<b>Can pension be rolled back?</b>
Stuart	Account Based Pension commenced 1 July 2014	\$1,930,427.11	Yes
Margaret	Account Based Pension commenced 1 July 2014	\$1,967,651.57	Yes

The Account Based Pensions shown above will be assessed under the general transfer balance cap based on their value as at 1 July 2017 and any excess above \$1,600,000 can simply be rolled back to accumulation phase.

The table below highlights our recommendation on which pension accounts / policies to commute and which to retain.

<b>Account Type</b>	<b>Account Balance 1/7/2016</b>	<b>Recommendation</b>
Stuart - Account Based Pension commenced 1 July 2014	\$1,930,427.11	Rollback any amount above \$1.6 million to accumulation phase on 30 June 2017
Margaret - Account Based Pension commenced 1 July 2014	\$1,967,651.57	Rollback any amount above \$1.6 million to accumulation phase on 30 June 2017

We recommend that Stuart and Margaret undertake a partial commutation of their account based pension entitlements in the Roof & Building Service (QLD) Pty Ltd Superannuation Fund back to accumulation phase for any amount that exceeds their general transfer balance cap of \$1.6 million.

The rollback should be made on 30 June 2017.

#### **Estimated Member Balances after implementation of our advice**

As at 1 July 2017 based on our recommendations we estimate you will have the following pension and accumulation accounts within the Roof & Building Service (QLD) Pty Ltd Superannuation Fund (using 1 July 2016 member balances):

Stuart – Account Based Pension - \$1,600,000.00  
Stuart – Accumulation Account - \$380,428.94

Margaret – Account Based Pension - \$1,600,000.00  
Margaret – Accumulation Account - \$482,500.35

Hilton – Accumulation Account - \$244,715.77  
Scott – Accumulation Account - \$138,139.19

### Minimum pension payments after 1 July 2017

Based on pension balances above the minimum pension requirement for the year ended 30 June 2018 would be as follows:

Stuart	\$ 96,000.00
Margaret	\$ 80,000.00
<b>Total</b>	<b>\$176,000.00</b>

If you require payments above the minimum pension requirement, we recommend that these amounts are drawn in the following order of priority:

- Firstly, from the Stuart and Margaret's accumulation accounts as these will have a lower tax free percentage. We note Margaret's accumulation account has a slightly lower tax free percentage;
- Secondly, via increased pension withdrawals once the accumulation accounts are exhausted. From a tax perspective these pension withdrawals would generally be allocated to the pension account with the lowest tax-free percentage. From an estate planning perspective a more even split may be appropriate.

This recommendation is based on minimising withdrawals from member accounts with higher tax-free components where possible, which can assist for estate planning purposes by reducing the tax payable by certain beneficiaries when they receive your superannuation as a death benefit. This strategy also helps in maximising the Fund's Exempt Current Pension Income (ECPI) by decreasing the proportion of the Fund's member entitlements in accumulation phase.

ECPI is the proportion of the fund's earnings that are tax-exempt as they relate to pension accounts.

The ECPI is calculated by dividing the average value of current pension accounts in the Fund by the Average value of the Total Member Accounts during the financial year.

For instance, if we assume that your estimated balances above would generally reflect your balances over the 2018 financial year, we can estimate your ECPI as:

$$\$3,200,000 / \$4,445,784 = 71.978\%$$

If all withdrawals are allocated to your pension accounts, whilst maintaining the same member balances in accumulation phase, the ECPI would fall, which means that a higher proportion of the Fund's earnings would be taxable. This is especially important in financial years where significant capital gains have been incurred. We believe that our recommendations above would result in better tax consequences than this alternative.

X  
X  
X  
X  
X

## **Capital Gains Tax (CGT) Relief**

Where individuals are required to rollback amounts from tax-exempt pension accounts to accumulation phase (taxed at 15%), the new legislation enables Superannuation Funds to elect to apply for capital gains relief on assets that would have been CGT exempt without the changes effective 1 July 2017.

The aim of the CGT relief is to ensure that a Superannuation Fund is in no worse a position than they currently are by allowing unrealised capital gains as at 30 June 2017 to be taxed on the same basis as they would have been if they were sold on that date.

If an election for CGT Relief is made for an asset, its cost base is reset to its market value on 1 July 2017 and the purchase date for CGT purposes would also be changed to 1 July 2017 (as if you had sold and bought the asset on this date). Any unrealised capital gain at this point would be completely discarded for tax purposes for the proportion of the Fund that was in pension phase.

CGT relief can only be applied to assets which the Fund has held throughout the period 9 November 2016 to 30 June 2017.

Where assets had previously been held for 12 months these would have been eligible for a 1/3 CGT discount upon sale. However, if a CGT election is made on an asset this would not be available until 1 July 2018 (12 months after the CGT relief election is made). You should consider whether this is relevant to your circumstances before making a CGT Relief election, especially in cases where you anticipate that you will dispose of the asset in the next 12 months.

Trustees need to make elections for CGT relief before the lodgement of the Fund's 2017 SMSF Annual Return.

Application of the CGT Relief depends on the status of the fund and whether it utilises a segregated or proportionate (unsegregated) approach to its assets.

As your Fund was not 100% pension phase before 9 November 2016 you have no choice but to continue using the proportionate (unsegregated) method for the 2017 year.

After 1 July 2017, a Self-managed Superannuation Fund that has a member with entitlements over \$1.6 million will have no choice and will be required to use the proportionate method.

### **Proportionate method & CGT Relief**

Funds utilising the proportionate method have the ability to reset the cost base on any or all assets of the fund under the CGT relief provisions, in particular those Fund assets that have unrealised gains at 30 June 2017.

As a consequence of making an election to apply for CGT relief, any unrealised gains in proportion to the existing accumulation assets will be realised on the date the CGT election is made.

*Where there is a gain relating to member balances in accumulation phase the Fund then has the ability to defer this gain until the year of actual disposal of the asset. Alternatively,*

Following the introduction of the general transfer balance cap, it has been confirmed that where a Death Benefit Income stream is paid to a beneficiary this will count towards that individual's transfer balance cap. This would apply where a husband and wife each have \$1,600,000 in an account based pension with each other nominated as reversionary beneficiaries. Previously, the surviving spouse would be able to elect to receive the death benefit as an income stream and maintain their existing pension as well. However, it has been confirmed that the receipt of a death benefit income stream will count towards an individual's transfer balance cap. This means that a surviving spouse that has already utilised their transfer balance cap will need to make a decision to ensure they comply with the cap. Their options would be:

1. Prior to receipt of the death benefit income stream, they could commute their account based pension account back to accumulation. This would allow them to receive the death benefit income stream of up to \$1.6 million and comply with the cap. The existing pension needs to be rolled back in this situation as a death benefit cannot be paid to accumulation phase. The portion of the benefit that exceeds \$1.6 million would need to be paid out as a lump sum death benefit.
2. Take the entire death benefit as a lump sum payment. This avoids the need to rollback any of the surviving spouse's other pensions, however the monies will then be moved outside the superannuation system. Depending on the surviving spouse's age and total superannuation balance, it may not be possible to re-contribute these monies back into superannuation.

In consideration of the above, we believe the first of these two options would be preferred as it would allow more funds to be kept within the superannuation system (and taking advantage of the lower tax rate of 15%).

The likely impact of either of your passing is that the surviving spouse's pension account will need to be commuted back to accumulation to provide room under their cap for the death benefit income stream whilst the deceased's accumulation account will need to be paid from the superannuation system.

Where a reversionary beneficiary nomination was made upon the commencement of your account based pensions, and amounts were required to be rolled back to accumulation phase, there may be a need to review beneficiary nominations made for these amounts. The previous reversionary beneficiary nomination will no longer apply for benefits held in accumulation phase as these only apply to account based pension entitlements.

The impact of these changes should be considered in light of your broader estate planning needs and it may be pertinent to review and update any wills and beneficiary nominations that you may have in place.

Superannuation benefits are not covered under a Will unless they are ultimately paid to the estate.

We note that both Stuart and Margaret have a non-lapsing binding nomination dated 12 November 2009 that provide firstly, all benefits are paid to each other and secondly, if Stuart and Margaret are both deceased to the member's Legal Personal Representative (their Estate) to be dealt with in accordance with the terms of their Will.

*the Fund can also choose to include this gain in its income on the 2017 SMSF Annual Return.*

### **Recommendation to consider making CGT Relief Elections**

Based on the member balances as at 1 July 2016, we estimate that 87.68% of the Fund was in pension phase and was therefore tax-exempt. However, the Trustees will be required to obtain an actuarial certificate for the 2017 financial year (before lodgement of the SMSF Annual Return) to confirm the Fund's proportion of the tax-exempt pension assets.

Any unrealised capital gains that are triggered as a result of applying for CGT relief on the Fund's assets would be based on the exempt pension percentage shown on actuarial certificate for the 2017 financial year.

As a consequence of making the necessary rollbacks from your pension entitlements to comply with the new \$1.6 million transfer balance cap the Fund will have fewer assets in pension phase.

This means that going forward a lower proportion of capital gains from the disposal of the Fund's assets will be exempt from tax.

We estimate that based on the member balances as at 1 July 2016 you will have 71.978% in pension accounts and 28.022% in accumulation accounts from 1 July 2017.

We recommend that you consider making an election so that the cost bases of all assets that have unrealised gains on 30 June 2017 are reset to current market values as this takes advantage of the higher proportion of assets relating to pension accounts before the changes on 1 July 2017.

CGT relief matters can be fully reviewed by our office during the preparation of the Fund's 2017 financial statements.

In the event that CGT elections are made we also recommend that any gains relating to member balances in accumulation phase are deferred until the year of the actual disposal of the asset.

Any assets in a capital loss position should not be reset, which means the fund may be left in a net capital loss position after the application of CGT Relief.

As discussed earlier, the main downside of electing to apply for CGT relief on the Fund's assets is that access to the 1/3 CGT discount will be lost until 1 July 2018.

Therefore, if the Trustees intend to sell assets within the 2018 financial year they should take this into consideration before proceeding with our recommendation.

### **Estate Planning Implications**

The general transfer balance cap creates an issue whereby the death of a spouse could result in balances held in pension phase needing to be withdrawn from the superannuation system totally and leaving the assets earnings and capital gains then exposed to personal marginal tax rates.

### **Implementing this strategy will have the following benefits:**

You will comply with the new transfer balance cap post 1 July 2017 and avoid any taxation penalties levied by the Australian Taxation Office for having excess balances in pension (retirement) phase.

By using the proportionate method and electing to reset the cost bases of all assets which have unrealised gains on 30 June 2017 the Trustees will most likely minimise Capital Gains Tax payable by the Fund when these assets are eventually sold.

### **This strategy will help you to achieve the following goal:**

You wish to review your superannuation fund in order to comply with the introduction of a general transfer balance cap of \$1,600,000 commencing on 1 July 2017.

### **Points to Consider**

You will lose your tax benefits of being invested in pension phase. In accumulation (superannuation) phase, your funds will be taxed at a maximum rate of 15% on earnings from your investments and at 10% for long term capital gains. This is opposed to paying no tax on investment earnings and withdrawals within the pension environment as you are over age 60.

### **Alternative Strategies Considered**

Consideration was given to withdrawing the excess pension balance from superannuation. However we believe the addition of approximately \$700,000 in assets to your personal names could potentially result in a higher income tax than the accumulation rate of 15% (as this is most likely lower than your personal marginal tax rate).

As we are not aware of your personal taxation arrangements you may wish to discuss this matter with your personal accountant.

## **Implementing our advice**

### **Enclosed documents & next steps**

It is important that you understand the recommendations being made in this Statement of Advice, the reasons for them and the consequences that may arise from implementing them. To do so please ensure that you read this advice carefully and if you have any questions please contact us immediately.

### **Provide your Authority to Proceed**

Please find enclosed an authority to proceed letter authorising our office to implement our recommendations and prepare appropriate documentation for the rollback of your account based pension entitlements to accumulation phase.

### **Further action required for CGT Relief**

After 30 June, our office should be in a position to assess the capital gain/loss position of each asset and assist you in considering whether to apply for CGT relief on each asset. We anticipate that the Fund's assets will be reviewed as part of preparing the 2017 financial statements.

It is important that the election to apply for CGT relief is completed in the correct format when lodging the fund's Annual Return for 2016/17 (which we believe will be 15 May 2018). Should the correct format not be used, your choice will be invalid and the capital gains tax reset will not apply.

Furthermore, it is important that the Trustees keep a detailed asset register which lists which assets had the CGT relief applied and their cost bases. As your Fund operated on a proportionate (unsegregated basis) prior to the announcement of the superannuation changes on 9 November 2016, you will also need to keep records of any taxable capital gains that are deferred.

### **Costs to you for providing our advice**

The fee for providing this advice and for preparing this Statement of Advice is \$2,175.00 including GST. This reflects staff time encompassing the various meetings with yourselves, reviewing your self-managed superannuation fund arrangements and preparing any required documentation. Our memorandum of fees will be forwarded in due course.

Our office also provides separate administration services to your Fund as we act as Fund administrator which includes the annual preparation of Financial Statements and other related matters. These services are charged separately to this Statement of Advice in accordance with that appointment and are based on our standard administration fee schedule.

For our fund administration and consulting services Bastion operates on a fee for service basis. Our fees for various fund administration activities are outlined in our self-managed superannuation fund fee structure brochure which can be provided on request. All fees are invoiced. Specialised superannuation advice is charged at the rate of \$330 per hour or part thereof.

Michael Oates is paid a salary. Neither Bastion nor Michael will receive any additional fees or commission for providing this advice.

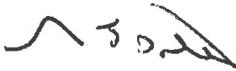
The Bastion Financial Services Guide and Michael's Financial Services Guide are enclosed.

## Conclusion

We believe that the implementation of our advice on or before 30 June 2017 will assist comply with the new transfer balance cap post 1 July 2017.

We are happy to meet to discuss this matter further, alternatively, please do not hesitate to contact me.

Yours faithfully,



**Michael Oates**  
**General Manager**  
**Representative**  
of Bastion Superannuation Solutions Pty Ltd AFSL 278280

Eno



28 June 2017

Mr S W Jensen  
Roof & Building Services (Qld) Pty Ltd  
PO Box 426  
HAMILTON CENTRAL QLD 4007

Dear Stuart & Margaret

**ROOF & BUILDING SERVICE (QLD) PTY LTD SUPERANNUATION FUND**

In accordance with your instructions following our recent Statement of Advice we enclose documentation for the rollback of amounts from account based pension entitlements to accumulation phase on 30 June 2017 where members will exceed the general transfer balance cap of \$1.6 million which will apply from 1 July 2017.

Enclosed for your attention are the following documents:

- Letter of request from Member (x2)
- Trustee Minutes (x3)
- Letter to the Member approving rollback of pension (x2)

Please sign the above documents and return them to our office for action and filing.

We will confirm the exact amount of the rollback from your pension accounts to accumulation phase upon completion of the 2017 Financial Statements once the final member balances have been calculated.

Our fees for assistance in this matter were included in the costs of our Statement of Advice and also encompass the associated once off processing in the fund administration system.

Should you have any questions, please contact our office.

Yours faithfully  
**BASTION SUPERANNUATION SOLUTIONS PTY LTD**

**MICHAEL OATES**  
General Manager

enc

*Y:\Clients\RV\Roof & Building Service\2017\Pension Commutation (Super Changes) - Letter to Trustee.doc*



28 June 2017

Mr S W Jensen  
Roof & Building Services (Qld) Pty Ltd  
PO Box 426  
HAMILTON CENTRAL QLD 4007

Dear Stuart & Margaret

**Statement of Advice – Roof & Building Service (QLD) Pty Ltd  
Superannuation Fund**

We refer to our previous discussions with Erin Falvey regarding the government changes to superannuation effective 1 July 2017 and how these will impact your superannuation interests in your self-managed superannuation fund and your goals and objectives.

We are pleased to enclose your Strategy Statement of Advice which sets out:

- What we know about you
- What you want to achieve
- The steps we recommend that you undertake to achieve your goals.

This document has been prepared based on our previous discussions and investigations.

It is important that you read this document, so that you can be in a position to make an informed decision about the strategies and why they have been recommended for the fund members.

If you have any questions about this Strategy Statement of Advice, please do not hesitate to contact me.

Yours faithfully,

**Michael Oates**  
**General Manager**  
**Representative**  
of Bastion Superannuation Solutions Pty Ltd AFSL 278280

Michael Oates  
Bastion Superannuation Solutions Pty Ltd  
GPO Box 1859  
BRISBANE QLD 4001

Dear Michael

**ROOF & BUILDING SERVICE (QLD) PTY LTD SUPERANNUATION FUND  
STATEMENT OF ADVICE - AUTHORITY TO PROCEED**

**Agreement**

By signing this document we provide your office with the authority to implement the following recommendations included in the Statement of Advice for our self-managed superannuation fund prepared on 28 June 2017

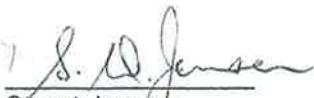
- Rollback of account based pension entitlements exceeding \$1.6 million to accumulation phase; and
- Preparation of Minute of Meeting of the Trustees to resolve (in principle) to apply for CGT relief and to switch to the proportionate method.

**Declaration**

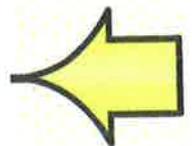
In signing this authority we confirm the following:

- We have read the attached Statement of Advice and received a copy of Financial Services Guides for Bastion Superannuation Solutions Pty Ltd and Michael Oates;
- We have provided all information that we thought relevant to the preparation of the advice and we have assessed for ourselves that the recommendations are appropriate having regard to the information provided;
- We have checked the information set out in the Statement of Advice and confirm that it is accurate and complete; and
- Michael Oates has discussed with us the information we have provided, the recommendations and benefits and the fees that will be charged in relation to the requested advice.

**Signed**

  
Stuart Jensen

  
Margaret Jensen



Dated: 28.6.17

Margaret Jensen  
21 Orwell Street  
CAMP HILL QLD 4152

28 June 2017

The Trustees  
Roof & Building Service (QLD) Pty Ltd Superannuation Fund  
PO Box 426  
HAMILTON CENTRAL QLD 4007

I request that a portion of my account based pension entitlements in the Roof & Building Service (QLD) Pty Ltd Superannuation Fund be rolled back to accumulation phase for any amount that exceeds my general transfer balance cap of \$1.6 million.

The rollback should be made on 30 June 2017.

I confirm that I am aware that pension accounts with any other superannuation provider are included in my general transfer balance cap. I confirm that I have made no other arrangement with another superannuation provider that would conflict with my instructions above.

I understand this request to rollback a portion of my account based pension entitlements in the Fund cannot be revoked once accepted by the trustee.

Yours faithfully

  
Margaret Jensen  
Member



## Roof & Building Service (QLD) Pty Ltd Superannuation Fund Minutes of Meeting of Trustees

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Held at

121 ORWELL STREET, CAMP HILL  
QLD 4152

On

128 June 2017

Present

Stuart William Jensen (Chairperson)  
Margaret Jensen  
Hilton Paul Jensen  
Scott Alan Jensen

Minutes

The Minutes of the previous meeting were read and confirmed.

Transfer Balance Cap

The Trustees noted that from 1 July 2017, a \$1.6 million general transfer balance cap will limit the amount of capital in pension or retirement phase of superannuation.

Rollback of  
Pension for  
Margaret

A letter from Margaret Jensen requesting a rollback from her account based pension entitlement of any amount exceeding her general transfer balance cap of \$1.6 million be made to accumulation phase on 30 June 2017 was tabled.

The member had requested the following in relation to the rollback of her account based pension entitlement:

- The rollback should be made on 30 June 2017 from her Account Based Pension for an amount that is equal to any balance that exceeds her general transfer balance cap;
- The member has confirmed that no other arrangement with another superannuation provider has been made that would conflict with actions taken above.

It was Resolved:

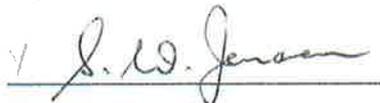
1. To approve the rollback of any amount that exceeds Margaret's general transfer balance cap of \$1.6 million from her account based pension entitlements back to accumulation phase on 30 June 2017.
2. To confirm the amount of the required rollback once the member account balances have been calculated by the Fund's administrator upon the completion of the Fund's 2017 financial statements.
3. To provide a letter to the member confirming the rollback from her pension account.

## Roof & Building Service (QLD) Pty Ltd Superannuation Fund Minutes of Meeting of Trustees

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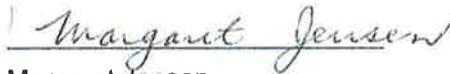
**Closure**                      There being no further business the meeting was declared closed.

Signed as a true and correct record



Stuart William Jensen

Trustee



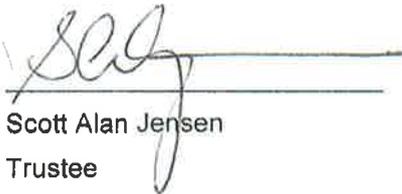
Margaret Jensen

Trustee



Hilton Paul Jensen

Trustee



Scott Alan Jensen

Trustee



The Trustee  
Roof & Building Service (QLD) Pty Ltd Superannuation Fund  
PO Box 426  
HAMILTON CENTRAL QLD 4007

28 June 2017

Margaret Jensen  
21 Orwell Street  
CAMP HILL QLD 4152

Dear Margaret

**REQUESTED ROLLBACK OF PENSION**

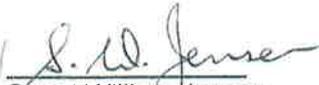
We acknowledge receipt of your letter requesting that a rollback is to be made from your account based pension being received from the Roof & Building Service (QLD) Pty Ltd Superannuation Fund for any amount that exceeds your general transfer balance cap of \$1.6 million to accumulation phase on 30 June 2017.

We wish to confirm that in accordance with your request a rollback has been made from your account based pension back to accumulation phase on 30 June 2017.

The final commutation amounts will be confirmed once the Fund's administrator has provided the 2017 financial statements.

If you have any queries regarding your pension please do not hesitate to contact us.

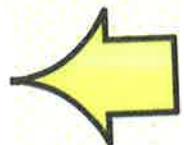
Signed on behalf of the trustees  
**Roof & Building Service (QLD) Pty Ltd Superannuation Fund**

  
Stuart William Jensen  
Trustee

  
Hilton Paul Jensen  
Trustee

  
Margaret Jensen  
Trustee

  
Scott Alan Jensen  
Trustee



Stuart William Jensen  
21 Orwell Street  
CAMP HILL QLD 4152

28 June 2017

The Trustees  
Roof & Building Service (QLD) Pty Ltd Superannuation Fund  
PO Box 426  
HAMILTON CENTRAL QLD 4007

I request that a portion of my account based pension entitlements in the Roof & Building Service (QLD) Pty Ltd Superannuation Fund be rolled back to accumulation phase for any amount that exceeds my general transfer balance cap of \$1.6 million.

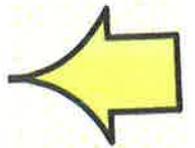
The rollback should be made on 30 June 2017.

I confirm that I am aware that pension accounts with any other superannuation provider are included in my general transfer balance cap. I confirm that I have made no other arrangement with another superannuation provider that would conflict with my instructions above.

I understand this request to rollback a portion of my account based pension entitlements in the Fund cannot be revoked once accepted by the trustee.

Yours faithfully

  
Stuart William Jensen  
Member



## Roof & Building Service (QLD) Pty Ltd Superannuation Fund Minutes of Meeting of Trustees

---

Held at

121 ORWELL ST, CAMP HILL QLD 4152

On

28 June 2017

Present

Stuart William Jensen (Chairperson)  
Margaret Jensen  
Hilton Paul Jensen  
Scott Alan Jensen

Minutes

The Minutes of the previous meeting were read and confirmed.

Transfer Balance Cap

The Trustees noted that from 1 July 2017, a \$1.6 million general transfer balance cap will limit the amount of capital in pension or retirement phase of superannuation.

Rollback of  
Pension for  
Stuart

A letter from Stuart William Jensen requesting a rollback from his account based pension entitlement of any amount exceeding his general transfer balance cap of \$1.6 million be made to accumulation phase on 30 June 2017 was tabled.

The member had requested the following in relation to the rollback of his account based pension entitlement:

- The rollback should be made on 30 June 2017 from his Account Based Pension for an amount that is equal to any balance that exceeds his general transfer balance cap;
- The member has confirmed that no other arrangement with another superannuation provider has been made that would conflict with actions taken above.

It was **Resolved**:

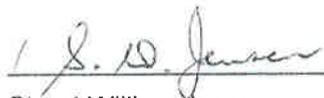
1. To approve the rollback of any amount that exceeds Stuart's general transfer balance cap of \$1.6 million from his account based pension entitlements back to accumulation phase on 30 June 2017.
2. To confirm the amount of the required rollback once the member account balances have been calculated by the Fund's administrator upon the completion of the Fund's 2017 financial statements.
3. To provide a letter to the member confirming the rollback from his pension account.

# Roof & Building Service (QLD) Pty Ltd Superannuation Fund Minutes of Meeting of Trustees

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**Closure**                      There being no further business the meeting was declared closed.

Signed as a true and correct record

  
\_\_\_\_\_  
Stuart William Jensen  
Trustee

  
\_\_\_\_\_  
Margaret Jensen  
Trustee

  
\_\_\_\_\_  
Hilton Paul Jensen  
Trustee

  
\_\_\_\_\_  
Scott Alan Jensen  
Trustee



The Trustee  
Roof & Building Service (QLD) Pty Ltd Superannuation Fund  
PO Box 426  
HAMILTON CENTRAL QLD 4007

28 June 2017

Stuart William Jensen  
21 Orwell Street  
CAMP HILL QLD 4152

Dear Stuart

**REQUESTED ROLLBACK OF PENSION**

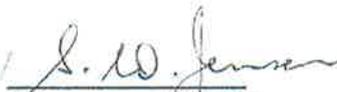
We acknowledge receipt of your letter requesting that a rollback is to be made from your account based pension being received from the Roof & Building Service (QLD) Pty Ltd Superannuation Fund for any amount that exceeds your general transfer balance cap of \$1.6 million to accumulation phase on 30 June 2017.

We wish to confirm that in accordance with your request a rollback has been made from your account based pension back to accumulation phase on 30 June 2017.

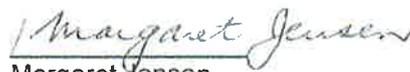
The final commutation amounts will be confirmed once the Fund's administrator has provided the 2017 financial statements.

If you have any queries regarding your pension please do not hesitate to contact us.

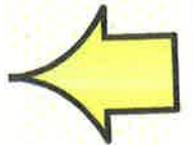
Signed on behalf of the trustees  
**Roof & Building Service (QLD) Pty Ltd Superannuation Fund**

  
Stuart William Jensen  
Trustee

  
Hilton Paul Jensen  
Trustee

  
Margaret Jensen  
Trustee

  
Scott Alan Jensen  
Trustee



## Roof & Building Service (QLD) Pty Ltd Superannuation Fund Minutes of Meeting of Trustees

---

Held at 121 ORWELL ST, CAMP HILL QLD 4152

On 28 June 2017

Present Stuart William Jensen (Chairperson)  
Margaret Jensen  
Hilton Paul Jensen  
Scott Alan Jensen

Minutes The Minutes of the previous meeting were read and confirmed.

**Election for CGT Relief on Fund Assets** It was noted that the Fund was able to make an election, in the form prescribed by the Australian Taxation Office, to apply for CGT Relief to reset the cost base of Fund assets that are impacted by the changes to the taxation of pension interests.

In principle the Trustees noted an appropriate approach would be to elect to reset the cost base of all assets that have unrealised capital gains and to make no election for any assets that have unrealised capital losses. However, it was further noted that an election for CGT Relief did not need to be finalised until before the lodgement of the Fund's 2017 SMSF Annual Return.

This matter would be reviewed following provision of the necessary cost base information by the Fund's administrator and finalised before lodgement of the Annual Return.

It was **Resolved**:

1. To elect to reset the cost base of all asset parcels that have unrealised capital gains
2. To make no election for any assets parcels that have unrealised capital losses
3. To further review elections for CGT Relief on the Fund's assets following provision of the necessary cost base information by the Fund's administrator and finalise these before the lodgement of the Fund's 2017 SMSF Annual Return.

**Proportionate Method** It was noted that the Fund would be able to use the Proportionate Method in determining the Fund's income for the 2017 financial year and also in relation to any elections made for CGT Relief.

It was **Resolved** to approve the use of the Proportionate Method in calculating the Fund's taxable income during the 2017 financial year.

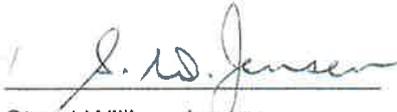
# Roof & Building Service (QLD) Pty Ltd Superannuation Fund Minutes of Meeting of Trustees

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**Closure**

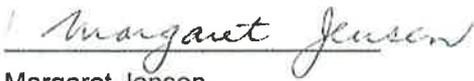
There being no further business the meeting was declared closed.

Signed as a true and correct record



Stuart William Jensen

Trustee



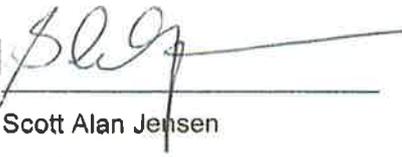
Margaret Jensen

Trustee



Hilton Paul Jensen

Trustee



Scott Alan Jensen

Trustee

