

July 2007



“OUR SUPER ADVICE”

ATO Compliance

Funds that do not lodge their tax returns by the due date will be subject to action. We will contact most of those funds by phone or letter and anticipate that an increased number will face lodgment penalties or prosecution. During the year we will have a very strong focus on poor compliance - that is those funds that are due to lodge by 31 October where one or more years of returns/statements are outstanding.



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Withdrawal of lump sums from superannuation after age

One of the most common misconceptions amongst clients at the moment concerns the withdrawal of lump sums from superannuation after age 60. Whilst members aged 60 or over will not be taxed on their withdrawals from taxed superannuation funds from 1 July 2007, conditions still need to be met before the member's benefits are able to be withdrawn as a lump sum.

The table below summarises whether a lump sum or pension is available.

Age/Work Status	Lump sum or pension
Age 60 to 64 and not retired	Transition to retirement pension only
Age 60 to 64 and retired	Lump sum or pension
Age 65 or over and not retired	Lump sum or pension
Age 65 or over and retired	Lump sum or pension

Note: If lump sums are withdrawn when the member is ineligible to do so, the lump sum would not be tax free and would instead be taxed at the member's marginal tax rate.

Can you pay your children your super money if you die?

Child (qualifies if any one of the categories below apply)	Pension	Lump Sum Super	Lump Sum Tax Free
Under 18	Yes	Yes	Yes
18-25 and financially dependent	Yes	Yes	Yes
18-25 and interdependent	No	Yes	Yes
25+ and financially dependent	No	Yes	Yes
25+ and interdependent	No	Yes	Yes
18+ and independent	No	Yes	No
Any age - significant disability	Yes	Yes	No

If you would like TASS Superannuation Fund Newsletters sent via email in the future, please direct your request to leanne@tass.com.au, and we will ensure that you receive your copy of “Our Super Advice” in the quickest time possible.

This information has been prepared to provide you with general information only and should not be relied upon without obtaining professional advice. In preparing this information, we did not take into account the investment objectives, financial situation or particular needs of any particular person.

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