

ULTIMATE REAL ESTATE SUCCESS **LIVE & VIRTUAL** **BOOTCAMP**

WORKBOOK - BRISBANE MARCH 2021



SESSION THREE

How To Achieve An Effective Tax-Free Income In Retirement With Your Superannuation



Contributions



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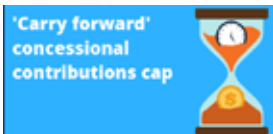


What can I Contribute?

Concessional

General Cap (all ages)

FY 2020/21 - \$25,000



Carry Forward Provision

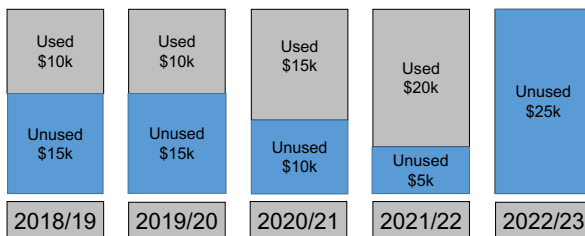
- Beginning 1st July 2018 introduction of "Carry forward" Concessional Contributions on a rolling basis for 5yrs available to members with a total superannuation balance < \$500,000



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Carry Forward Concessional Contributions



In the 2022/23 FY, a total concessional contribution of \$70k could be made



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What can I Contribute?

Non-Concessional

- 2020/21 FY \$100,000 per annum
- Due to index up to \$110,000 on 1st July 2021
- “Bring forward Rule” allows you to bring forward a further 2 yrs of Non-Concessional Contributions
- Available to members with less than:
 - \$1.6m Total Super Balance for the 20/21 FY
 - \$1.7m Total Super Balance for the 21/22 FY





What can I Contribute?


Sale of a Small Business Active Asset

- Retirement exemption – Lifetime Limit **\$500,000***
- 15-year asset exemption – Currently **\$1,565,000***

There are a number of conditions that need to be met to be eligible for any small business CGT concessions or exemptions.

First, the small business must either:

- Not have an annual aggregated turnover of \$2 million or more; or
- The asset sold must have been used in a closely connected business;
- The business owner’s net assets must be less than \$6 million
- The asset being sold must also meet the active asset test


* **No Total Super Balance (TSB) restrictions** 





Downsizer Contribution

- From 1st July 2018, if you are 65 years old or older and meet the eligibility requirements, you may be able to choose to make a downsizer contribution into your superannuation of up to \$300,000 from the proceeds of selling your home.
- The downsizer contribution is not a non-concessional contribution
- It can also still be made if the member’s total super balance is already greater than \$1.6m
- Must be from proceeds of the sale of your PPR (that you have owned for 10yrs or more) and made within 90 days of receiving the proceeds.

* **No Total Super Balance (TSB) restrictions** 





In-Specie Contributions

- Contributions to your fund in the form of an asset other than money.
- What assets are allowed to be in-specie contributed to a SMSF:
 - Listed Shares and Securities
 - Business Real Property



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Business Real Property

What does business real property mean?

The definition of BRP for superannuation purposes includes any freehold or leasehold interest in real property where the property is used wholly and exclusively in one or more businesses.



State	Section of the State Duties Act	Details
NSW	Section 62A	\$500 concessional flat rate
VIC	Section 41	Exemption
WA	Section 122	Nominal duty of \$20
QLD	Stamp Duties Act 2001 (QLD)	No exemption
SA	Stamp Duties Act 1923 (SA)	No exemption

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When can you get access to your Superannuation?

Main events:

- Reach age 65
- Reach Preservation age and retire
- Reach Preservation age (not retired) and begin a transition to retirement strategy (rules apply)
- Financial hardship



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SMSF Set-up Process

- Advice (Personal Statement of Advice)
- Set up Corporate trustee (Special Purpose) and SMSF Deed
- Apply for the ABN and TFN for the SMSF
- Sign Trustee Declaration with 21 days of becoming a Trustee
- Create the funds written Investment Strategy
- Set up funds main operating bank account
- Completion of full or partial rollovers from existing funds (Ensure no loss of insurances)
- Replace Life/TPD Insurance if appropriate
- Purchase investments in line with investment strategy





WHAT ARE TRUSTEES RESPONSIBLE FOR?





Can a Super Fund Pay For?

- Set up of the Fund?
- Insurance?
- Administration for the Fund?
- Ongoing financial advisory services?
- Remuneration payments to Trustees?
- Training expenses to train Trustees?
- Personal expenses or anything that provides a current benefit?