



ATO Crackdown on Overdue SMSF Annual Returns

OCTOBER ISSUE

Contributed by Connor McNamara

The Australian Tax Office (ATO) has recently announced that from 1 October 2019, if your self-managed superannuation fund (SMSF) annual return is more than two weeks overdue for lodgement, your SMSF will not be able to receive employer super guarantee contributions or rollovers from another super fund.

This approach is being taken by the ATO in order to encourage on-time lodgement and ultimately to protect retirement savings.

How will your SMSF and its members be impacted by this change?

If your SMSF tax return has been overdue for more than two weeks it will not be able to receive:

- any super guarantee contributions from employers; or
- any rollover benefits from other superannuation funds.

The lodgement due date for an SMSF annual return is 15 May following the end of the financial year. For newly registered SMSF's, the due date is 28 February following the end of the financial year.

What to do if you are impacted?

If the SMSF cannot meet the due date for lodgement of an annual return, you will be able to apply for a lodgement date deferral prior to the due date in order to seek an extension to lodge.

However, if the annual return still remains outstanding after the deferred lodgement date or there is already an overdue return from a prior year as at 1 October 2019, the following action will need to be taken:

> Employer super guarantee contributions

Employers will direct your super guarantee contributions to the employers default super fund or another complying super fund and you will then have to roll the balance over to your SMSF once its complying status has been restored.

> Rollover of member balances

No rollover from another super fund will be accepted by your SMSF until it has lodged the overdue annual return whether the rollover is already in progress or yet to be initiated.

If you currently have an outstanding SMSF annual return, please contact us as soon as possible so that we can have the return prepared and lodged to ensure the fund is compliant. Failure to act could mean missing out on super contributions in your SMSF.



Additional information for employers making contributions to an SMSF

If you are unable to make super guarantee contributions to an employee's SMSF, you can check the status of their Super Fund Lookup (<http://superfundlookup.gov.au>) to confirm that it is due to the SMSF being non complying.

If the status is listed as "regulation details removed" rather than "complying" you need to notify your employee that you are unable to make super contributions to their SMSF.

In the interim you will need to direct their super guarantee contributions to the business' default super fund or another complying super fund for that employee until their SMSF is complying.

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If you have any questions or would like more information, please contact our office:

LEVEL 4, 240 QUEEN STREET
BRISBANE, QLD, 4000
general@hallchadwickqld.com.au
(07) 3212 2500