

Deduction for personal super contributions

How to complete your *Notice of intent to claim or vary a deduction for personal super contributions*



This form should only be used for personal contributions made after 1 July 2007.



For more information visit www.ato.gov.au



OUR COMMITMENT TO YOU

We are committed to providing you with accurate, consistent and clear information to help you understand your rights and entitlements and meet your obligations.

If you follow our information in this publication and it turns out to be incorrect, or it is misleading and you make a mistake as a result, we must still apply the law correctly. If that means you owe us money, we must ask you to pay it but we will not charge you a penalty. Also, if you acted reasonably and in good faith we will not charge you interest.

If you make an honest mistake in trying to follow our information in this publication and you owe us money as a result, we will not charge you a penalty. However, we will ask you to pay the money, and we may also charge you interest. If correcting the mistake means we owe you money, we will pay it to you. We will also pay you any interest you are entitled to.

If you feel that this publication does not fully cover your circumstances, or you are unsure how it applies to you, you can seek further assistance from us.

We regularly revise our publications to take account of any changes to the law, so make sure that you have the latest information. If you are unsure, you can check for more recent information on our website at www.ato.gov.au or contact us.

This publication was current at **June 2012**.

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WHO SHOULD COMPLETE THIS NOTICE?

You should complete this notice if you:

- intend to claim a tax deduction for your personal super contributions
- want to vary a previous valid notice of intent you gave your super fund.

When deciding whether to claim a deduction for super contributions, you should consider the impact this might have on whether you will exceed your contribution caps, and whether it will affect your super co-contribution eligibility.

➤ For more information about the contribution caps and co-contributions, refer to *Super contributions – too much super can mean extra tax*, and search for ‘Super co-contribution’ at www.ato.gov.au

WHEN SHOULD I COMPLETE THIS NOTICE?

Your super fund may request the information in this notice as part of another form. If they do not request this information, use this notice to advise them of your intent to claim a deduction.

You must give a notice of intent to claim a deduction to your super fund on or before whichever of the following occurs earliest:

- the day you lodge your income tax return for the year in which the contributions were made
- the last day of the income year after the income year in which you made the contributions.

You can apply to vary a previous valid notice of intent if:

- you have not yet lodged your income tax return and it is on or before 30 June in the financial year following the year you made the contribution
- we have disallowed your claim for a deduction and you are applying to reduce the amount claimed as a deduction by the amount that we have disallowed.

⚠ You must either make your contribution to your super fund before you give your notice of intent or send your contribution to your super fund with your notice of intent.

⚠ To claim a deduction for your contribution you must have given your super fund a valid notice of your intent to claim a deduction, in the approved form, on or before the day you lodge your income tax return (or the end of the next income year, whichever occurs first), and the fund must have given you an acknowledgment of their receipt of the notice.

TERMS WE USE

In this publication, when we refer to a super fund, we mean:

- a super fund
- a retirement savings account
- an approved deposit fund.

WILL I BE ELIGIBLE FOR A DEDUCTION?

You can claim for a deduction for your personal super contributions if all of the following apply:

- you are still a member of your super fund when you give your fund trustee a valid notice in the approved form, on time
- when you give your notice, your fund has not begun to pay an income stream (for example, a pension) based on part or all of the contributions for which you intend to claim a deduction
- you have received acknowledgment from your fund of your intention to claim a deduction
- your fund has accepted your contribution for which you want to claim a deduction
- the amount you intend to claim as a deduction is covered by one or more valid notices
- you have not applied to split the contribution for which you intend to claim a deduction
- you meet the other eligibility criteria to claim a deduction. This can be found by visiting our website at www.ato.gov.au and searching for ‘Claiming deductions for personal super contributions’
- you have not withdrawn an amount or rolled out to another fund all or part of the contribution for which you want to claim a deduction (except where there has been a successor fund transfer to another fund).

A ‘successor fund transfer’ occurs when your super interest is transferred to another super fund (the successor fund) and that fund confers rights on that interest equivalent to those you had under your original fund. Typically, this occurs when your fund is merged with another.

⚠ When you voluntarily roll-over your benefits from one fund to another, it is **not** a successor fund transfer.

⚠ If you made your contribution to your original fund before the successor fund transfer occurred, and you did not give your original fund a notice of intent to claim a deduction, you can give your notice to the successor fund (your new fund), even though you did not make your contribution to that fund.

➤ For more information on contribution splitting, refer to *Contributions splitting* (NAT 15237).

HOW DO I CHANGE AN AMOUNT PREVIOUSLY INCLUDED ON A VALID NOTICE?

➔ Send your completed variation notice to your super fund. **Do not send it to us.**

If you wish to increase the amount that you want to claim as a deduction, you can do so provided you are still within the time limits specified above for lodgment of the notice of intent. However, you do not lodge a variation to the first notice. Instead, you lodge a second notice specifying the additional amount you wish to claim. At question 9, 'Is this varying an earlier notice' in section C, place an 'X' in the 'No' box.

Example of increasing a personal super contributions deduction claim

John makes a contribution of \$20,000 and lodges a notice with his super fund to claim a deduction for \$15,000. Later (but within the set timeframes) he decides to increase his deduction to \$18,000. John must send his super fund another notice, advising that he now also intends to claim \$3,000 as a deduction. His super fund will now have two valid notices – one for \$15,000 and one for \$3,000. John should receive two acknowledgment notices from the fund.

If you wish to reduce the amount you intend to claim as a deduction, you will need to lodge a variation to your original notice of intent sent to your fund. The variation does not alter a previous notice; instead, it is a **new notice** which **replaces** a previous valid notice and shows the amount of the contributions which you now want to claim as a tax deduction. At question 9 'Is this notice varying an earlier notice?' in section C, place an 'X' in the 'Yes' box.

Example of reducing the amount on a previous valid deduction notice

Sarah makes a contribution of \$50,000 and lodges a notice with her fund to claim a deduction for \$50,000. Later she decides to reduce her deduction to \$30,000. She must send her fund another notice of intent to claim or vary a deduction for personal super contributions, advising that \$30,000 is the amount she now intends to claim as a tax deduction. At the question 'Is this notice varying an earlier notice?' in section C, Sarah places an 'X' in the 'Yes' box.

You cannot vary a previous valid notice if your fund no longer holds the contribution covered by that previous valid notice, if you are no longer a member of the fund, or if the trustee has begun to pay an income stream based on all or part of the

contribution covered by the previous valid notice – for example, your fund has begun paying you a pension.

Variations applying to successor fund transfers only

You can vary a deduction notice in relation to a contribution made to the original fund by giving the variation notice to the successor fund.

Example of a variation of a deduction notice where there has been a successor fund transfer

Mary makes a contribution to Fund A. As she satisfies all the deduction requirements, she advises Fund A that she wishes to claim a deduction for the contribution. The trustee acknowledges receipt of the notice. At a later date, Mary is advised that her entire superannuation interest has been transferred to Fund B. Mary wishes to vary the original deduction notice which she gave to Fund A. She can do this by giving the variation notice to Fund B.

CLAIMING A DEDUCTION AFTER A PARTIAL ROLLOVER OR WITHDRAWAL

Special rules apply if you made a withdrawal or rolled over part of your super during the year.

A super fund will no longer hold a contribution, or at least a part of it, if the member has chosen to rollover or withdraw a part of their super account held by the fund. In such a case, a deduction notice cannot be given for the entire contribution.

A valid deduction notice will be limited to a proportion of the tax-free component of the super account that remains after the rollover or withdrawal. That proportion is the value of the relevant contribution divided by the tax-free component of the super account immediately before the rollover or withdrawal (see example on the next page).

Where you have made a partial rollover or withdrawal and you do not know the tax free component and value of your super interest immediately before your rollover or withdrawal, your super fund may be able to confirm these amounts for you. Alternatively, you may need to seek independent financial advice to assist you to calculate the maximum deduction amount, to ensure you lodge a valid notice.

If you send a notice indicating that you intend to claim more than the tax-free component of what remains in your super account, that notice will be invalid.

⚠ If you send your fund an invalid deduction notice, your fund will not be able to acknowledge it. You will need to lodge a new valid notice and receive acknowledgment from your fund to enable you to claim a deduction for your contribution.

Example of a valid notice of intention to deduct with a partial rollover

Rachel, who is 54, has a super interest (that is, account balance) of \$50,000. This interest includes tax free contributions of \$10,000. She makes a \$100,000 personal contribution in March 2012, which is held by the fund as a tax free component of any super benefit paid to Rachel. The value of her super interest is \$150,000, with a tax free component of \$110,000.

In June 2012, Rachel rolls over \$60,000 to another fund, leaving her with interest of \$90,000. The \$60,000 rollover comprises a \$44,000 tax free component and a \$16,000 taxable component. The tax free component of the rollover is worked out as follows:

$$\begin{array}{r} \text{Rollover amount} \\ \$60,000 \end{array} \times \frac{\text{Tax free component of interest before rollover}}{\text{Value of the super interest before rollover}} = \$ 44,000$$
$$\begin{array}{r} \\ \$60,000 \end{array} \times \frac{\$110,000}{\$150,000} = \$ 44,000$$

After the rollover, Rachel has a \$90,000 super interest remaining. The tax free component of that remaining super interest is \$66,000 (that is, \$90,000 x \$110,000/\$150,000).

Rachel then lodges a notice in September 2012 advising that she intends to claim a deduction for the \$100,000 contribution made in 2011–12. That notice is not valid. Rachel's super fund no longer holds the entire \$100,000 contribution.

Rachel could give a valid deduction notice for an amount up to \$60,000. That amount is worked out as follows:

$$\begin{array}{r} \text{Tax free component of remaining interest} \\ \$66,000 \end{array} \times \frac{\text{Contribution}}{\text{Tax free component of interest before rollover}} = \$ 60,000$$
$$\begin{array}{r} \\ \$66,000 \end{array} \times \frac{\$100,000}{\$110,000} = \$ 60,000$$

! For more information on how to deal with deductions involving multiple partial roll-overs, and the special rules which apply if you commence an income stream, refer to taxation ruling TR 2010/1. Go to <http://law.ato.gov.au/atolaw/index.htm> and search for 'TR 2010/1'.

HOW DO I COMPLETE THIS NOTICE?

Section A: Your details

Provide the following personal details so your super fund can identify you:

- 1 tax file number (TFN)
- 2 name
- 3 date of birth
- 4 postal address
- 5 daytime phone number (including the area code).

! You don't have to provide your TFN to your super fund. However, if your fund does not have your TFN, they may not be able to accept your contributions. Providing your TFN will also assist your fund in correctly identifying you.

Section B: Super fund details

Provide your super fund's:

- 6 fund name
- 7 fund Australian business number (ABN)
- 8 member account number that has received your personal contributions.

! You can find your super fund's ABN in your product disclosure statement or member statement. You can also search for their details on *Super Fund Lookup*. This is available at www.superfundlookup.gov.au

Section C: Contribution details

Provide the financial year in which you have made the personal contribution to your super fund.

Provide the amount of the personal contributions you have made that are covered by this notice. If you have made more than one contribution in the year, this amount does not have to cover every contribution. However you should not include any amounts covered by a previous valid notice for the year unless you are varying the amount to be deducted.

⚠ You must either make your contribution to your super fund before you give your notice of intent, or send your contribution to your super fund with your notice of intent.

Show the amount of the contributions you are eligible to claim as a tax deduction. If you are varying the amount covered by a previous valid notice, the amount cannot be greater than the amount recorded on the original notice.

If you are making a variation to an earlier valid notice to reduce the amount you intend to deduct, place an 'x' in the 'Yes' box; otherwise, place an 'x' in the 'No' box.

Section D: Declaration

➤ For more information about deductions for personal super contributions and the criteria you must meet to be eligible, go to www.ato.gov.au and search for 'Claiming deductions for personal super contributions'.

There are two declarations. Read the declaration that applies to you. If it is correct, print your full name, then sign and date the declaration.

Your two choices are:

- **Intention to claim a tax deduction declaration** – complete this declaration if you have not previously notified your super fund that you are intending to claim a tax deduction for the personal contributions you have listed in this notice
- **Variation of previous valid deduction notice declaration** – complete this declaration if you wish to vary a previous valid notice of intent.

⚠ You can only vary a previous valid notice of intent to **reduce** the amount you are claiming as a personal deduction.

HOW DO I CLAIM A DEDUCTION?

➤ Send your completed notice to your super fund.
Do not send it to us.

Your super fund will give you an acknowledgment of a valid notice. Once your notice of intent to claim a deduction has been acknowledged, you cannot revoke or withdraw it, but you can apply to reduce it.

⚠ To claim a deduction for your contribution you must give your super fund a valid notice of your intent to claim a deduction, in the approved form, on or before the day you lodge your income tax return (or the end of the next income year, whichever occurs first), and the fund must have given you acknowledgment of the receipt of the notice.

Once you have lodged your tax return you cannot apply to vary the amount you are claiming as a personal deduction, unless we have disallowed your claim for the deduction.

➤ MORE INFORMATION

For more information about personal super contributions, search for *Claiming deductions for personal super contributions* at www.ato.gov.au

To obtain a copy of our publications or for more information:

- visit our website at www.ato.gov.au
- phone **13 10 20** between 8.00am and 6.00pm, Monday to Friday
- write to us at
**PO Box 3100
PENRITH NSW 2740**

If you do not speak English well and need help from the ATO, phone the Translating and Interpreting Service on **13 14 50**.

If you are deaf, or have a hearing or speech impairment, phone the ATO through the National Relay Service (NRS) on the numbers listed below:

- TTY users, phone **13 36 77** and ask for the ATO number you need
- Speak and Listen (speech-to-speech relay) users, phone **1300 555 727** and ask for the ATO number you need
- internet relay users, connect to the NRS on www.relayservice.com.au and ask for the ATO number you need.

