

Presented by:

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Episode 86 – The indexation of the transfer balance cap and the total super balance

In this episode, we discussed what will you do differently next year.

Here are the **Key Points** in this episode:

- 28th Feb lodgement date for new funds
- Superstream - Mandatory from 1 October 2021 - to rollover to OR from your SMSF - Digital transactions
- Indexation for the general transfer balance cap from \$1.6m to \$1.7m on the 1st of July
- Up until now, everyone had the same cap - \$1.6m.
- Now everyone will need to know what their personal transfer balance cap is - and it could be different for everyone. This is going to be very tricky!
- Firstly, if you haven't used any of your cap at all, then you will get the full indexation, so your personal transfer balance cap will be \$1.7m.
- For those that have used some of their cap, you will only get a proportional increase in your personal cap.
- EG - if you have used 75% of your cap already, then your personal cap will only increase by 25% of the indexed amount - so \$25000. Your personal cap will now be \$1.625.
- The amount of cap you have used is based on your highest ever balance.
- Basically, individuals will have a TBC of somewhere between \$1.6 and \$1.7m
- ATO will hold the data. SMSF's need to make sure TBC reporting is accurate and up to date
- Individuals can access their personal TBC via mygov, or via their tax agent
- TSB will also indexed to \$1.7m. This cap is important for deciding whether you can still make non-concessional contributions to your fund, and how much (if any) bring forward you can access
- Indexed with CPI. Other caps eg contributions caps are indexed with AWOTE

This adds a lot more complexity to our planning, members and trustees will need to make sure that they understand the new caps, and also what their personal caps are before making any non-concessional contributions or implementing any pension strategies. If anyone is interested in a strategy meeting please contact us via our website www.buscgroup.com.au and we can give you a call.