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Professional Standards Legislation

Super Pension Payment rules

Charles and Matthew are pleased to confirm that Ledger Rutledge & Walker Pty Ltd has its own Australian Financial Services Limited Licence, which allows us to provide you with superannuation and SMSF financial advice. The significant superannuation changes announced in the 2016 Budget have now been legislated, with effect from July 2017. It would be wise to re-consider your current superannuation strategy in light of the recent changes.

Pension Balances

From 1 July 2017, there is a \$1.6 million transfer balance cap on the total amount of superannuation savings that can be transferred from accumulation phase to pension phase.

On 1 July 2017, if your combined pension phase balances exceed \$1.6 million you will be required to 'transfer' the excess over \$1.6 million back into accumulation phase or pay out the benefits. Amounts transferred into super in excess of the cap will be subject to tax, similar to that which applies to excess non-concessional contributions.

Transition to Retirement Pensions

The tax exemption on earnings for pension assets supporting transition to retirement income streams (TRIS) has been removed from July 2017 (irrespective of when the pension commenced).

This is purely factual information and general advice. It does not constitute personalised financial, business or taxation advice. The content does not take into account your personal circumstances or objectives and you must determine whether it is appropriate to you. We recommend you make an appointment to see Charles or Matthew to obtain advice relevant to you before making any financial or taxation decisions.