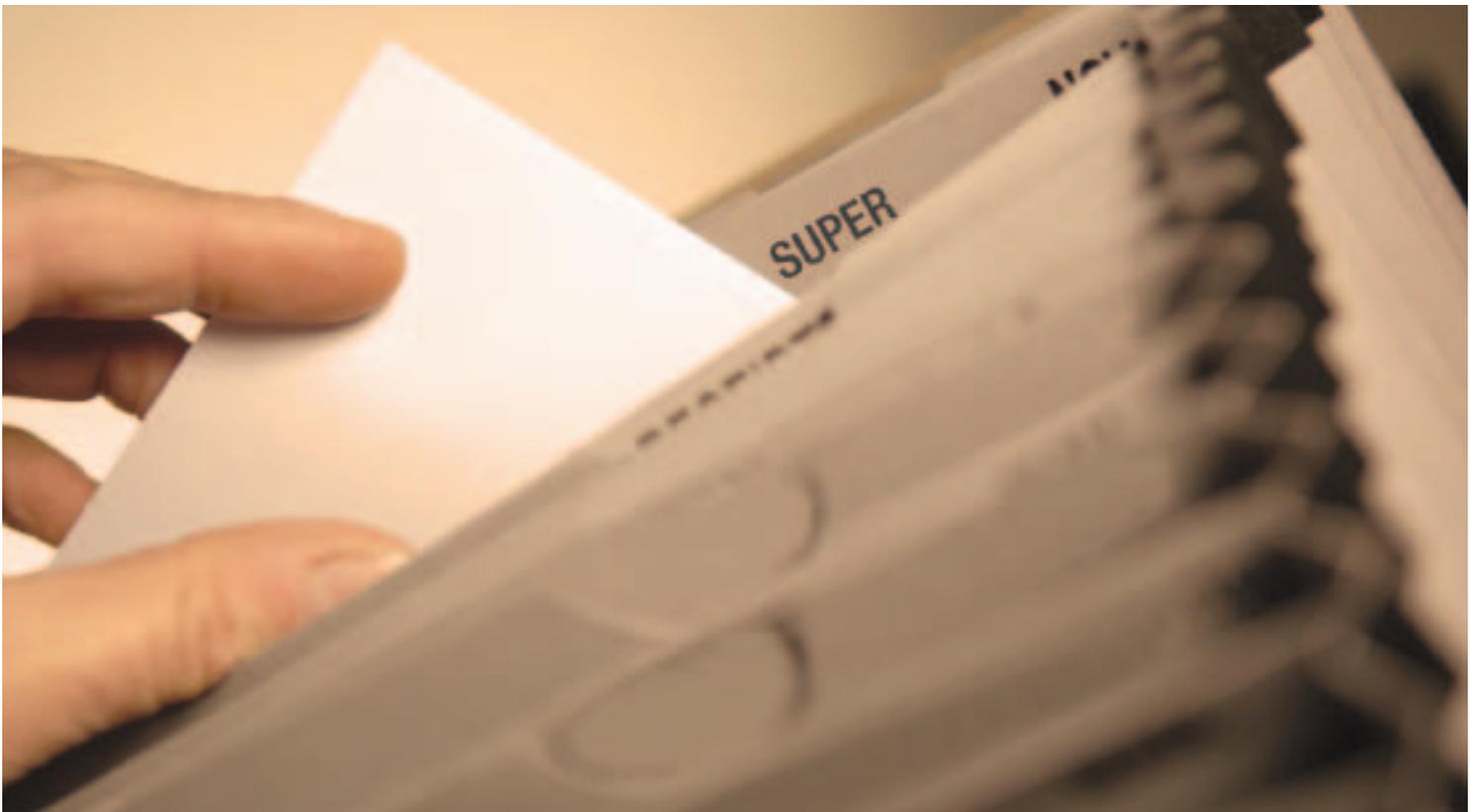


# Winding up a self-managed super fund

What you need to know



## 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 misleading, and you fail to comply with the law as a result, we must still apply the law correctly. However, we will take the fact that you followed our information into account when deciding what action, if any, we should take.

If you make an honest mistake in trying to follow our information in this publication and you fail to comply with the law as a result, we will take the reason for the mistake into account in deciding what action to take.

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](http://www.ato.gov.au) or contact us.

This publication was current at **August 2010**.

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## Commissioner's foreword

Winding up your self-managed super fund (SMSF) is the final stage of running your fund. As a trustee, you have certain responsibilities that you need to meet once you decide to wind up your SMSF.

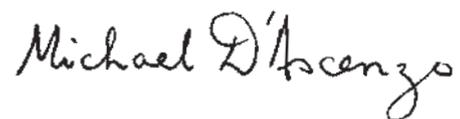
It is important to make sure that all the fund's assets have been dealt with and that you meet all your reporting and administrative obligations.

One of these obligations is to let us know when your fund is being wound up. As the regulator of SMSFs, we need to know within 28 days of your fund being wound up.

Some other key activities you need to do include:

- dealing with members' benefits in accordance with the super laws and the trust deed of the fund
- arranging a final audit of the fund
- completing your reporting obligations with us and paying any outstanding liabilities.

If you need help with winding up your fund, you can contact us for advice about what you need to do.



**Michael D'Ascenzo**  
Commissioner of Taxation



## Winding up your SMSF

As a trustee, you have some responsibilities if you decide to wind up your SMSF.

Winding up an SMSF requires dealing with all of the fund's assets so that none remain, and completing all of the reporting and other administrative obligations as a trustee.

## Why trustees wind up SMSFs

Listed below are some common reasons why people wind up their SMSFs.

- The trustees' circumstances have changed in a way which has impacted on their capacity to effectively manage their fund. (The laws and regulations governing SMSFs are complex, and the effective management of fund investments requires time and expertise, which some people may decide they do not have.)
- All the members and trustees have left the SMSF (for example, they may have rolled their benefits to another fund or have passed away).
- The fund has paid the members all of their benefits.
- One or more of the SMSF trustees have relocated overseas. (An SMSF must meet the definition of an 'Australian superannuation fund'. The decision to continue as a trustee of an SMSF while not residing in Australia should be made very carefully.)
- There is an insufficient balance of funds in the SMSF to meet the ongoing costs of operating the SMSF.

 **For more information about residency requirements, visit our website at [www.ato.gov.au](http://www.ato.gov.au)**

 **In some cases, you'll be able to pay benefits to members when you wind-up your SMSF. Often, the members won't yet qualify for their benefits or may not want to access their benefits at the time of the fund's wind-up, in which case these benefits will need to be rolled over to another complying super fund.**

## What you must and must not do

Do...	Do not...
<p>Read your super fund's trust deed, as it may contain vital information about winding up your fund.</p>	
<p>Contact us on <b>13 11 42</b> to find out the balances of any fund accounts.</p> <p>You will need to pay any outstanding liabilities or request refunds where they are due. You can also ask about the status of activity statements.</p>	
<p>Ensure that all activity statements are up to date.</p>	<p>Cancel your ABN – we will do this.</p>
<p>Ensure that all assets and member contributions have been dealt with in accordance with the super laws and trust deed.</p>	
<p>Have an audit conducted by an approved auditor for your fund for the year.</p> <p>When you are winding up your fund, you still need to have an audit completed before you can lodge your annual return.</p>	
<p>Lodge the fund's final income tax return and remember to answer all questions relating to the fund's wind up:</p> <ul style="list-style-type: none"> <li>■ Was the fund wound up during the income year? (Your answer will be 'yes'.)</li> <li>■ On what date did the fund wind up? (Insert a date between 1 July and 30 June of the year of lodgment.)</li> <li>■ Have all tax lodgment and payment obligations been met?</li> </ul>	<p>Assume that lodging a final income tax return and reporting wound-up information is the last contact you may need to have with the ATO. You need to finalise all lodgment and payment obligations before you can wind up. Records must be kept for five years.</p>
<p>Notify us in <b>writing</b> within 28 days of the fund being wound up. You need to tell us:</p> <ul style="list-style-type: none"> <li>■ the name of your SMSF</li> <li>■ the Australian business number (ABN) of your SMSF</li> <li>■ a contact person, including their name, phone number and fax number</li> <li>■ the date the fund was wound up.</li> </ul> <p>Send this information to:</p> <p><b>Australian Taxation Office</b>  <b>PO Box 3578</b>  <b>ALBURY NSW 2640</b></p>	<p>Close your bank accounts yet. You may need to make payments to us or other businesses, and may need to deposit refunds. Once closed, these bank accounts can only be re-opened by producing a new trust deed.</p>

**!** Contact us on **13 10 20** if you have any questions about other super matters (like the super co-contribution, SMSF annual return or super guarantee).

## Confirming your fund has been wound up

You will receive written notification from the Australian Business Register when your SMSF's ABN has been cancelled.

It's important to wind up your fund correctly. If you have not met all of your obligations, your fund may be selected for a compliance investigation and, as a trustee, you may be subject to penalties.

## SMSF reporting obligations: Dealing with members' benefits

If...	Complete a...	Then you must...	More information
You are moving funds to another complying super fund	<i>Request to transfer whole balance of superannuation benefits between funds</i> (NAT 71223)	<ul style="list-style-type: none"> <li>■ Send the form with <b>certified</b> proof of identity documents to either fund. (Do not send a copy to us.)</li> <li>■ Keep a copy for five years.</li> </ul>	This form can be used by members to request the transfer of all of their contributions.
	<i>Rollover benefits statement</i> (NAT 70944)	<ul style="list-style-type: none"> <li>■ Send a statement to the 'receiving super provider' within seven days after the day on which the rollover benefit is paid.</li> <li>■ Send a copy of the statement to the individual in respect of whom the benefit is paid within 30 days after the day on which the rollover benefit is paid. (Do not send the statement to us.)</li> <li>■ Keep a copy of the statement for five years.</li> </ul>	Refer to <i>How to complete a Rollover benefits statement</i> (NAT 70945).
Any eligible members have accessed their benefits in a lump sum	<i>PAYG payment summary – superannuation lump sum</i> (NAT 70947)	<ul style="list-style-type: none"> <li>■ Send us a copy as part of your PAYG withholding payment summary annual report by 14 August, following the end of the financial year to which the report refers.</li> <li>■ Provide the recipient their copy of the payment summary within 14 days of the super lump sum payment being made.</li> <li>■ Keep the payer copy of the payment summary for five years.</li> </ul>	Refer to <i>How to complete the PAYG payment summary – superannuation lump sum form</i> (NAT 70946).
A pension or annuity was paid and the recipient had tax withheld	<i>PAYG payment summary – superannuation income stream</i> (NAT 70987)	<ul style="list-style-type: none"> <li>■ Provide the recipient their copy of the payment summary by 14 July, following the end of the financial year in which you made payment to them.</li> <li>■ Send us a copy as part of your PAYG withholding payment summary annual report by 14 August, following the end of the financial year in which you made the payments.</li> <li>■ Keep the payer copy of the payment summary for five years.</li> </ul>	Refer to <i>How to complete the PAYG payment summary – superannuation income stream</i> (NAT 70986).
You issued a payment summary	<i>PAYG payment summary statement</i> (NAT 3447)	<ul style="list-style-type: none"> <li>■ Send this form to us by 14 August, following the end of the financial year to which the payment summary refers, with the ATO originals of the payment summaries issued.</li> <li>■ Keep a copy of this completed form for five years, with the PAYG payer's copy of the payment summaries issued.</li> </ul>	Use this form for the 2008 financial year or later.

! There may be capital gains implications on the disposal of assets when you are paying benefits or rolling over benefits to another fund. Refer to our website at [www.ato.gov.au](http://www.ato.gov.au) for more information or contact **13 10 20**.

! What types of payments do you not need to withhold tax from?

You don't need to withhold tax when paying a benefit if the following applies:

- the benefit is from a taxed source

- the benefit is being paid as either a super income stream or a lump sum
- the member receiving the benefit is 60 years old or over at the time of the payment
- the benefit is being paid as a lump sum because the member has a terminal illness or injury.

You don't need to withhold tax or report these payments to us, because these payments are tax-free.

## SMSF reporting obligations: Completing your reporting responsibilities

If you need to ...	Complete a ...	Then you must ...	More information
Report member contributions for a pre-2008 financial year (or lodge amendments to that data)	<i>Superannuation member contributions statement</i> (NAT 2710)	Send it to: <b>PO Box 3333 PENRITH NSW 2740</b>	Refer to <i>How to complete the Superannuation member contributions statement</i> (NAT 2603).
Lodge an income tax return for a pre-2008 financial year	<i>Fund income tax and regulatory return</i> (NAT 0658)	Send it to: <b>Australian Taxation Office GPO Box 9845 IN YOUR CAPITAL CITY</b>	Complete labels K and L. You need to answer both questions.
		Pay the supervisory levy with each lodgment of the fund income tax and regulatory return (this is \$45 for years up to 30 June 2007).	Go to <a href="http://www.ato.gov.au">www.ato.gov.au</a> – What do you want to do? – Make a payment.
Report member contributions for post-2007 financial year and lodge post-2007 annual returns	<i>Self managed superannuation fund annual return</i> (NAT 71226)	Send it to: <b>Australian Taxation Office GPO Box 9845 IN YOUR CAPITAL CITY</b>	Ensure that question 9, 'Was the fund wound up during the income year?', is completed in full.
		Pay the supervisory levy (this is \$150 per year after 1 July 2007), even if your fund has no tax liability for the year.	Go to <a href="http://www.ato.gov.au">www.ato.gov.au</a> – What do you want to do? – Make a payment.

! If you have appointed an SMSF professional such as a tax agent, accountant or a fund administrator to assist with managing your SMSF, they may be able to lodge some of this data electronically on your behalf.

> If you need assistance lodging any outstanding income tax returns, call us on **13 10 20** for help.

### Example: Gerry's super fund

Gerry has an SMSF, just before Christmas in 2008, he decides to wind up and transfer his benefits to another super fund. Gerry, as the trustee, discovers:

- he has not lodged income tax returns for the 2007, 2008 and 2009 financial years.
- he needs to lodge an MCS for the 2007 financial year, and
- he has outstanding surcharge liabilities relating to the 2005 financial year.

Before his fund can be wound up, Gerry needs to:

- complete a *Rollover benefits statement* and send a copy to the fund which receives his transferred benefits
- lodge the *Fund income tax and regulatory return* for the 2007 financial year
- lodge a *Superannuation member contributions statement* for the 2007 financial year
- lodge the *Self managed superannuation fund (SMSF) annual return* for the 2008 and 2009 financial years
- complete question 9 of the final (2009) *SMSF Annual Return*

- allow enough money to pay for
  - audit fees
  - the \$45 supervisory levy for the 2007 financial year
  - the \$150 supervisory levy for the 2008 financial year
  - the \$150 supervisory levy for the 2009 financial year
  - any income tax liabilities due
  - fees to prepare income tax returns and other paperwork due for the 2007, 2008 and 2009 financial years
- have the fund audited for the 2007 and 2008 financial years and organise a final audit for the 2009 financial year; and
- lodge an assessment variation advice (AVA) for the 2005 surcharge debit that has been generating general interest charge since 2005 – lodging an AVA will correct original debit and associated general interest charges, as the contribution has been transferred to another provider.

Gerry needs to wait for notification from us before closing any of the SMSF's bank accounts. We will cancel the SMSF's ABN.

# More information

## Finding the right information for you

This introduction provides you with the requirements you need to follow when winding up your fund.



**Thinking about self-managed super (NAT 72579)** provides you with the steps you need to consider before setting up an SMSF.



**Setting up a self-managed super fund (NAT 71923)** provides basic information about how to set up an SMSF.



**Running a self-managed super fund (NAT 11032)** highlights your responsibilities and obligations as a trustee when operating your SMSF.



## Useful services

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

- visit [www.ato.gov.au](http://www.ato.gov.au)
- phone us on **13 10 20** between 8.00am and 6.00pm, Monday to Friday
- phone our publication ordering service on **1300 720 092**
- write to us at:  
**Australian Taxation Office**  
**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](http://www.relayservice.com.au) and ask for the ATO number you need.



