

SMSF Trust Deed has been updated with superannuation law as on 1st July 2021 (Version 21/1) to include Superannuation Industry (Supervision) Act 1993 amendments up to Treasury Laws Amendment (Self Managed Superannuation Funds) Act 2021

Item #	Clause #	Changes	Reason to Update
1	16	6-member SMSFs	The government passed Treasury Laws Amendment (Self Managed Superannuation Funds) Bill 2020 on 17 June 2021, among other things, the bill proposes to amend s 17A(1)(a) of the SIS Act to require an SMSF to have fewer than seven members (instead of earlier fewer than five) in order to satisfy the definition of an SMSF.
2	Clause 44	Trustee Covenant Best financial interests (formerly best interests) of the fund members	As per Treasury Laws Amendment (Your Future, Your Super) Bill 2021 updated Section 52B of the SIS Act to include Trustee duties to act in the best financial interests (formerly best interests) of the fund members.
3	Clause 59 & 61	Contribution caps	<p>SMSF members will be able to put more into super from 1 July 2021:</p> <ul style="list-style-type: none"> <li>concessional contributions caps increase to \$27,500 from \$25,000, and</li> <li>non-concessional contributions caps rise to \$110,000 from \$100,000.</li> </ul> <p>Members may wish to review salary sacrifice arrangements and consider adding after-tax contributions from savings or asset sales from 1 July 2021 to make use of the higher caps.</p> <p>Enabling individuals aged 65 and 66 to make up to three years of non-concessional superannuation contributions under the bring-forward rule.</p>
4	Mandatory Super Stream - Clause 59 & 75  Disclosure - Clause 16 & 24  Release authority - Clause 62  Family Spilt Clause 121	Mandatory Super Stream Requirement	<p>New rollover process</p> <p>All funds must register under the Super Stream system where the an Electronic Service Address (ESA) is used for</p> <ul style="list-style-type: none"> <li>rollovers into SMSF             <ul style="list-style-type: none"> <li>prior to rolling benefits into SMSF, the transferring fund trustee must use the SMSF verification service (SVS) to verify SMSF details</li> </ul> </li> <li>rollovers out of SMSF             <ul style="list-style-type: none"> <li>SMSF must use the SMSF member TFN Identity Check Service (SMSF member TICK) to validate the impacted member TFN prior to processing the rollover out from the SMSF</li> <li>if rolling to an APRA regulated fund, SMSF will need to use the fund validation service (FVS) to obtain APRA fund details such as their bank account</li> </ul> </li> <li>release authorities for:             <ul style="list-style-type: none"> <li>concessional and non-concessional</li> </ul> </li> </ul>

			<p>contribution caps</p> <ul style="list-style-type: none"> <li>○ deferred and non-deferred Division 293 payments</li> <li>○ first home super saver (FHSS) scheme money for first home purchases.</li> </ul> <p>Trustees must:</p> <ul style="list-style-type: none"> <li>• Allow rollover requests to be processed as soon as possible, and ensure that SMSF and member's details are recorded with ATO and are up to date</li> <li>• SMSF must have an ABN and its unique bank account for superannuation payments has been provided to ATO</li> <li>• SMSF must ensure from a messaging provider that its SMSF electronic service address (ESA) is Super Stream Rollover v3 enabled from 1 October 2021 and details provided to ATO.</li> </ul> <p><b>Disclosure to members</b></p> <p>Since a rollover can be initiated by a member via a transferring fund (including an SMSF or industry/retail fund) or a receiving fund (including an SMSF or industry/retail fund). Trustee must provide to the member</p> <ul style="list-style-type: none"> <li>• A electronic service address (ESA).</li> <li>• A unique bank account recorded with the ATO.</li> <li>• A Unique Superannuation Identifier (USI) which is the fund's Australian business number (ABN)</li> </ul>
5	Clause 89	Changes in Accounting Standards	In preparing accounts of the fund, the Trustees must apply generally accepted accounting principles or as otherwise required by superannuation law and proper accounting practices.
6	Clause 92	Signing of document with 6 member funds	Relates to the signing of a document which will require at least half of the trustees or directors of the trustee company to sign certain fund and regulatory documents.
7	Clause 115	Carrying on a business	<p>Carrying on a business or undertake business like activities, if permitted by superannuation law and ensuring that the fund retains its complying status.</p> <p>This extended clause has been inserted in the deed to cover any substantial property development or other similar activities such as leasing, share trading, lending undertaken by the Trustees of the fund.</p>
8	Clause 115	Avoid NALE situations	Limits the power of trustee expenditure to ensure that there is no expense, loss or outgoing paid to a related party is lower than arms length amount to be paid by the fund ( <i>as per Law Companion Ruling LCR 2021/2 and amendments to Section 295-550 of the ITAA 1997</i> )
9	Clause 43	Voting rights based on each member's balance	To assist in smooth decision making in any meeting, the votes of Trustees are based on the dollar value of each member balance. If there is a dispute on member balances, Trustees must arrange for a set of financial statements be prepared till the date of the meeting.

10	Clause 27	Legal personal representative becoming a trustee or a director of Trustee Company	In case of death of a member or losing mental capacity or any other disability, the LPR of the member will be appointed immediately and automatically as a Trustee of the fund to ensure that members rights are protected.
11	Clause definitions 13	Transfer balance cap indexed on 1st July 2021	Increasing the transfer balance cap on 1 July 2021 due to indexation to \$1.7M plus members can have personal transfer balance cap between \$1.6 million and \$1.7 million, depending on whether they have previously started a retirement income stream.
12	Clause definitions 13	The age at which the work test starts to apply for voluntary concessional and non-concessional superannuation contributions is increased from 65 to 67	<p><b>Work Test Age Limit &amp; Bring-forward measures</b></p> <p>As per Treasury laws Amendment (SMSF) Bill 2020 and Treasury Laws Amendment (More Flexible Superannuation) Bill 2020, work test apply for voluntary concessional and non-concessional superannuation contributions to members is increased from 65 to 67</p> <p>The bring-forward measures have amended the <i>Income Tax Assessment Act 1997</i> to enable individuals aged 65 and 66 to make up to three years of non-concessional superannuation contributions under the bring-forward rule.</p> <p>Previously, members under the age of 65 at any time in a financial year could bring forward up to two years' worth of non-concessional cap for that income year, allowing them to contribute a greater amount up to \$300,000 (from 1st July 2021 \$330,000) without exceeding their non-concessional cap.</p> <p>This bill has amended sub-section 292-85(3)(c) of the <i>Income Tax Assessment Act 1997</i> to allow the bring-forward rule to be used by members under age 67 at any time in a financial year. This amendment would be effective from 1 July 2020 onwards.</p>
13	Clause 62	Re - contributions of amounts withdrawn under COVID-19 early release, made before 30 June 2030	The deed allows re-contribution of any amounts withdrawn under COVID-19 early release. Note: where re-contribution is made from 1 July 2021 to 30 June 2030, the amount will not be counted towards the non-concessional cap.
14	Product Disclosure Statement	50% of pension payments	<p><b>Pension drawdown</b></p> <p>Minimum superannuation drawdown rates will continue to be half the normal amount until 30 June 2022. The 50 per cent reduction in minimum draw downs was due to end on 30 June 2021.</p>