

choice to have your Australian fund pay tax on a foreign super transfer



Who should use this form?

This form is for members who:

- are in the process of transferring their overseas pension into HESTA
- are required to pay tax on their assessable amount, and wish to nominate HESTA to pay the tax on their behalf at the Fund's concessional tax rate of 15%.

When transferring your super from an overseas pension scheme, you need to consider the tax implications of your transfer.

If you transfer your pension fund within six months of becoming an Australian resident, generally no tax is payable in Australia. Transfers after six months may incur tax payable on the 'assessable amount'. The 'assessable amount' is the earnings your overseas pension account has accrued from the time you became an Australian resident.

If you are required to pay tax on your assessable amount, you have two choices:

1 Fill in this form and nominate HESTA to pay the tax on your behalf at the Fund's concessional rate of 15%.

The assessable amount will then be treated as a concessional contribution (before-tax) and it will form part of the taxable component upon withdrawal. The remaining amount of your transfer will be a non-concessional contribution (after tax) and will form part of the tax-free component.

2 If you do not fill in this form, the assessable amount will form part of your taxable income and you will pay tax at your marginal tax rate.

The whole transfer will then be treated as a non-concessional contribution (after-tax) and it will form part of the tax-free component upon withdrawal.

You may wish to seek financial advice to help determine your tax liability.

contact us

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Completing your *Choice to have your Australian fund pay tax on a foreign super transfer*

These instructions will help you complete the form on how you want tax to be paid on the lump sum you transferred from a foreign super fund to an Australian super fund.

WHEN TO USE THIS FORM

When you transfer a superannuation lump sum from your foreign super fund, directly to an Australian super fund, you can choose to have all or part of the assessable part of the lump sum treated as assessable income by your Australian super fund. If you choose to do this, your Australian super fund will pay tax on the assessable part of the lump sum at a concessional tax rate of 15%, instead of you paying tax at your marginal rate.

WHO SHOULD COMPLETE THIS FORM

You should complete this form if all of the following apply:

- you are an Australian resident transferring your entire entitlement in a foreign super fund to a complying Australian super fund
- you receive your super entitlement more than six months after becoming an Australian resident or terminating your foreign employment
- the entitlement being transferred includes earnings in the foreign fund, accumulated since you became an Australia resident, that would have been assessable in your Australian tax return (that is, you would have paid tax on that amount at your marginal tax rate)
- you want to have your Australian super fund pay income tax on some or all of these earnings instead (a super fund generally pays 15% tax).

⚠ You can make this choice up until the day you lodge your tax return for the year of the transfer (or if you do not need to lodge a tax return, the day you would have been required to lodge your tax return). This applies unless the governing rules of your Australian super fund require you to make a choice earlier. You make this choice by completing this form. You cannot revoke or vary your choice after the form is provided to your super fund.

➡ For more information about the tax treatment of transfers from foreign super funds, refer to *Tax treatment of transfers from foreign super funds* (NAT 11725).



CONTRIBUTION CAPS

Some components of transfers from a foreign super fund count as a contribution. There are limits on the amount of contributions you can make to your Australian super fund in a financial year before additional tax applies. These limits depend on whether contributions are concessional or non-concessional.

➤ For more information about contributions caps, refer to www.ato.gov.au/supercaps

⚠ If you use this form to choose that your super fund pays tax on the earnings component of the transfer, that amount will not count towards the contribution caps.

The following example shows how components of a foreign super fund transfer are counted against the contribution caps. All amounts are in Australian currency.

EXAMPLE: Contributions caps

David had \$50,000 in a foreign super fund when he became an Australian resident.

Four years later, the earnings on the fund were \$8,000, giving a total balance of \$58,000. David transfers \$60,000 to his Australian super fund – that is, \$2,000 more than the amount vested in him at the time of the transfer. This additional amount was allocated by David's former foreign employer as an additional discretionary payment (a 'golden handshake' in recognition of years of service).

David completes this form, choosing that his Australian super fund pays tax on the \$8,000 earnings component, and provides it to his Australian super fund.

David's Australian super fund reports information about his foreign fund transfer to us. Based on the information they provide we treat each component of the transfer as follows:

- \$50,000 (the whole amount he held when he became a resident) counts towards David's non-concessional contributions cap.
- \$2,000 (his 'golden handshake') counts towards David's concessional contributions cap.
- The remaining \$8,000 (the earnings he chose his super fund to pay tax on) does not count towards either of David's contributions caps. If he had not made this choice they would have counted towards his non-concessional cap.

COMPLETING THIS FORM

Section A: Your Australian super fund details

Provide the details of the complying Australian super fund that your foreign super entitlement was transferred to, including:

- the super fund's Australian business number (ABN), which can be found at www.superfundlookup.gov.au or on correspondence your fund sends you
- your account number with the fund – this helps the fund identify you and can be found on the annual statement your fund sends you.

Section B: Your details

Provide your name, address and other details to help your super fund identify you.

If your fund does not have your tax file number (TFN), you will need to provide it to make sure:

- the fund is able to accept your contributions, including the transfer from your foreign super fund
- you do not have to pay additional tax on other contributions, such as employer contributions.

Section C: Your foreign super fund details

Provide the details of the foreign super fund that transferred the super benefits on your behalf.

Section D: Transfer and tax choice

Provide details of the total transferred from your foreign super fund.

Choose the amount that your Australian super fund will pay tax on (in Australian dollars).

⚠ This amount cannot be more than the earnings or growth in your super entitlement between the date when you became an Australian resident and the date the amount was transferred to your Australian super fund. You must calculate this amount using information provided by your foreign super fund before making this choice.

Section E: Declaration

Read the declaration. If all the information you have provided is correct, print your full name, sign and date the declaration.

Send the original completed form to your Australian super fund. Keep a copy for your records.

⚠ Do not send the completed form to us. The information on this form is for you and your Australian super fund.

MORE INFORMATION

For more information about super:

- visit our website at www.ato.gov.au/super
- phone **13 10 20** between 8.00am and 6.00pm, Monday to Friday
- 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 and ask for the ATO number you need.

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 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 **April 2012**.



COMPLETING YOUR FORM

- Print clearly in BLOCK LETTERS using a black pen, with one character per box.
- Place in all applicable boxes.

Section A: Australian super fund details

1 Fund's name

2 Postal address

Suburb/town/locality

State/territory

Postcode

3 Australian business number (ABN)

4 Your account number with the fund

Section B: Your details

5 Tax file number (TFN)

! If your Australian super fund does not have your TFN, it will not be able to accept the transfer from your foreign super fund.

6 Full name

Title: Mr Mrs Miss Ms Other

Family name

First given name

Other given name/s

7 Postal address

Suburb/town/locality

State/territory

Postcode

8 Daytime phone number (include area code)

9 Date of birth

Day Month Year

 / /

10 Sex

Male Female

Section C: Your foreign super fund details

11 Fund's name

12 Contact name (if known)

Title: Mr Mrs Miss Ms Other

Family name

First given name

Other given name/s

13 Contact phone number (including prefix for international calling)

+

Section D: Transfer and tax choice

14 Date of transfer

Day Month Year
 / /

15 Total amount of transferred to your Australian super fund (in Australian dollars)

\$, , .

16 Choose the amount that your Australian super fund will pay tax on (in Australian dollars)

\$, , .

! This amount cannot be more than the earnings or growth in your super entitlement between the date when you became an Australian resident and the date the amount was transferred to your Australian super fund. You must calculate this amount using information provided by your foreign super fund before making this choice.

Penalties may apply for making false or misleading statements in this form.

Section E: Declaration

I declare:

- I have chosen that my Australian super fund is to include in the fund's assessable income the amount specified at question 16 of section D
- the amount I have chosen to include is no more than the accumulated earnings on my entitlement in the foreign super fund since I became an Australian resident.

Name

Signature

Date

Day Month Year
 / /

Lodging your form

Send the original completed form to your Australian super fund. You must keep a copy of this form for five years.

! Do not send the completed form to us. The information on this form is for you and your Australian super fund.