

Session 1: Q& A - Questions we Answered

Question from Jason

Towards the end of the webinar the issue of ECPI was raised, with two outcomes being discussed based on whether a small accumulation account was maintained or not.

Just one question - given the member balances were >\$1.6M I didn't think that segregation periods were allowed, so that particular discussion was not applicable to the case study - and thus the answer was incorrect (but may well be relevant for smaller funds, so still worth mentioning).

Question from Heath

Pension is based on large increase in factory property value – what happens if you draw up paper work based on draft accounts as at 30 June, but the value then goes down?

Question from Graeme

How do you transfer a portion of the property. As the property will be held in the trustee name. Does it have to be tenants in common to do this? Does the property ownership have any impact on this strategy?

Who is the sweet spot for this strategy?

Question from Annette

With the reserving strategy, in the case study you have done this with cash and you mentioned it is a good practice to do this. Could you however, use an in-specie contribution and if so, what risks are associated with this?

Question from Josh

With regards the transfer of property – where there is a shortfall – ie we can't get the property in all via contributions – what are our other options and what should we be looking out for?

Question from Liz

Can the property be transferred directly from the Family Trust to the SMSF (rather than via the individuals)? Or is this purely to save on SD costs (no change in beneficial ownership)? Would the answer differ if the FT had a corporate trustee rather than individual trustee?

Question from Matthew

Can Non-Concessional Contributions be reserved? If so, when will this impact the member's TSB (ie. Year of contribution or year of allocation)?

Question from Donna

What if John held sole title of the Mountain Retreat property? Does Mary still have the ability to contribute a downsizer amount to the fund if it was classified as her main residence for a period of time?

Question from Sharon

Re: Downsizer. Property is principal home. One partner is under age 65 - other over age 65. Can both make \$300k contribution

If you were going to object to the land tax notice, should you hold off paying the land tax bill until the objection has been settled?

Question from Dan

If John were to cease working at Bunnings in the next few years, subject to his TSB, could he utilise the work test exemption the following year to undertake a withdrawal and re-contribution strategy to save some death benefits tax to beneficiaries?