Key information on claiming a tax deduction for a personal super contribution

To claim a tax deduction for personal super contributions, a client must meet certain eligibility conditions. These include a requirement for a valid deduction notice to be submitted by the client and acknowledged by the fund.

Restrictions apply that can affect the validity of a deduction notice as well as the variation of an earlier notice. These restrictions are set down in tax law.

This document highlights some important information to consider when your client intends to claim a tax deduction for a personal super contribution for the following Macquarie products:

- SuperOptions
- ADF Superannuation fund
- Super and Pension Manager
- Super Accumulator

Please ensure the following for clients where applicable:

- Contributions are classified correctly.
  - For self-employed clients (including those who are a partner of a partnership), a contribution intended to be claimed against an individual client's own assessable income must be classified as a personal contribution, not an employer contribution.

- Deduction notices are provided to us:
  - before requesting any lump sum payments, rollovers or transfers to pension
  - before the lodgement of a client's income tax return for the relevant financial year
  - before the end of the financial year following the financial year in which the contribution was made, and
  - before submitting a superannuation contributions-splitting application.

- Prior to rolling over from another fund, any deduction notice for personal contributions is lodged with that fund.

- Deduction notices for personal contributions that are deposited electronically (eg BPAY® or direct deposit) are submitted within the applicable timeframes if all or part of the contributions are to be claimed.
  - These will be treated by us as non-concessional unless your client lodges a valid deduction notice within the required timeframes.

Otherwise your clients may not be eligible to claim the deductions they intended to claim.
When is a deduction notice (and a variation of a previous notice) invalid?

- If the client is no longer a member of the fund.
  - For example, if the client’s benefits have been paid to them or they have rolled over their benefits in full to another fund.

- If the fund no longer holds the contribution.
  - For example, where a client has been paid a lump sum superannuation benefit or had part of their benefit rolled over to another superannuation fund.1

- If the fund has commenced to pay an income stream based in whole or part on the contribution.
  - For example, where a client has transferred part or all of their Super Manager into a Pension Manager account.

- If the client has applied to split contributions with their spouse and we have accepted the application.

When must a client submit a deduction notice to the super fund?

- Before the client lodges their tax return for the financial year in which they made the relevant contribution.

- Before the end of the financial year following the year in which the contribution was made.
  - For example, for a contribution made in April 2010, the last date a deduction notice can be given to the fund is 30 June 2011 (unless the tax return was lodged earlier).

My client wants to vary a previous notice given to the fund – what restrictions apply?

- A client is unable to vary a previous notice upwards.
  - That is, they cannot increase the amount they intend to claim as a tax deduction for a contribution covered in a previous notice.

- Variations downwards are allowed subject to the notice being provided within the above timeframes2 and being valid.

---

1 In the Tax Office’s ruling TR 2010/1 Income tax: superannuation contributions, the ATO have provided a proportioning equation to work out the remaining contributions for which the client is able to claim a tax deduction following a partial withdrawal or rollover. The ATO has issued an addendum to this ruling to defer the application of the proportioning equation so that it will apply to contributions made from 1 July 2011. For contributions made before 1 July 2011, the amount a client can claim will generally be limited by the remaining tax free component of the client’s superannuation account.

2 If a client has provided a valid notice to the fund but the deduction has subsequently been disallowed by the ATO upon lodging their tax return, then the time restrictions in these circumstances do not apply. That is, a deduction notice may still be varied where the amount being claimed as a tax deduction is reduced by the amount that has been disallowed by the ATO, provided the notice is valid (ie the member is still a member, has not commenced a pension based in whole or part on the contribution etc).
How can clients claim a tax deduction on personal superannuation contributions?

<table>
<thead>
<tr>
<th>When</th>
<th>How</th>
</tr>
</thead>
<tbody>
<tr>
<td>For contributions accompanying an application</td>
<td>By completing the relevant section in the application form</td>
</tr>
<tr>
<td>For contributions made via electronic transfer or direct deposit</td>
<td>Using the Deduction notice for personal contributions form</td>
</tr>
<tr>
<td>For contributions made via in specie transfer (for Super and Pension Manager only)</td>
<td>Using the In specie Transfer letter or the Deduction notice for personal contributions form</td>
</tr>
<tr>
<td>For contributions made via cheque</td>
<td>Using the Additional Investment form or the Deduction notice for personal contributions form</td>
</tr>
<tr>
<td>When wishing to claim a tax deduction for a personal contribution made in the previous financial year</td>
<td>Using the Deduction notice for personal contribution form or Personal Contribution Summary (provided by us shortly after year end)</td>
</tr>
<tr>
<td>When requesting a Pension Update (Pension Manager only)</td>
<td>Using the Pension Update Request form</td>
</tr>
<tr>
<td>When requesting a withdrawal or rollover</td>
<td>Using the Withdrawal/rollover form</td>
</tr>
</tbody>
</table>

In any of the above circumstances, the ATO’s Deduction for personal super contributions (NAT 71121) form may also be used.

Helpful Macquarie tools when monitoring your clients’ contributions

<table>
<thead>
<tr>
<th>Tool</th>
<th>Description</th>
<th>Where</th>
</tr>
</thead>
<tbody>
<tr>
<td>Superannuation Contributions report</td>
<td>Allows you to view your clients’ concessional and non-concessional contributions</td>
<td>For Super Manager/Accumulator only Available online under Reporting &gt; Download &gt; Download adviser reports</td>
</tr>
<tr>
<td>Portfolio Summary report</td>
<td>Provides a breakdown of each client’s contributions</td>
<td>For Super and Pension Manager and Super Accumulator only Available online under client level reporting</td>
</tr>
<tr>
<td>Periodic Member Statements</td>
<td>Mailed to your clients every six months</td>
<td>For Super and Pension Manager and Super Accumulator only Available online when mailed to clients</td>
</tr>
<tr>
<td>Personal Contribution Summary report</td>
<td>Sent to clients detailing the amount of personal contributions they have made for the previous financial year and any tax deduction claimed. This allows the client to lodge or vary a notice if eligible</td>
<td>Mailed after the end of the financial year</td>
</tr>
</tbody>
</table>

For further information

Please refer to the Australian Taxation Office at ato.gov.au or the relevant Product Disclosure Statements:
- for Super and Pension Manager, refer to Part B of the PDS at wrapguide.com.au/supermgr (password: super)
- for SuperOptions, the PDS can be located at macquarie.com.au/super
- for ADF, refer to Part B of the PDS at adfguide.com.au.
Macquarie Adviser Services

- **Macquarie Wrap** 1800 025 063
- **Macquarie SuperOptions and Macquarie ADF**
  1800 801 651
- **Macquarie Wrap** 1800 025 175
- **Macquarie SuperOptions and Macquarie ADF**
  1800 550 140
- **Macquarie Wrap** wrapsolutions@macquarie.com
- **Macquarie SuperOptions and Macquarie ADF**
  macquarie.com.au/super

---

Macquarie Investment Management Limited ABN 66 002 867 003 AFSL 237 492 RSEI L0001281 (MIML) is trustee of the Macquarie Superannuation Plan (RSE R1004496) and the Macquarie ADF Superannuation Plan (RSE R1004502). MIML is not an authorised deposit-taking institution for the purposes of the Banking Act (Cth) 1959, and MIML’s obligations do not represent deposits or other liabilities of Macquarie Bank Limited ABN 46 008 583 542. Macquarie Bank Limited does not guarantee or otherwise provide assurance in respect of the obligations of MIML.

This information is provided for the use of licensed financial advisers only. In no circumstances is it to be used by a potential investor for the purposes of making a decision about a financial product or class of products.

The information provided is not personal tax advice. It does not take into account the investment objectives, financial situation or needs of any particular investor and should not be relied upon as advice.

While the information provided here is given in good faith and is believed to be accurate and reliable as at the date of preparation, 14 January 2011, it is provided by Macquarie for information only. We will not be liable for any losses arising from reliance on this information. We recommend investors seek independent advice including taxation advice.