

PAYG Reporting for Superannuation Funds

Following the first full year of the "Better Super" (or "Simple Super") regime it is important to review the reporting requirements for payments made from a superannuation fund.

The ATO has released two PAYG payment summaries to be used from 1 July 2007 when superannuation income streams and superannuation lump sums have been paid. The forms are:

- PAYG payment summary - superannuation income stream (NAT 70987);
- PAYG payment summary - superannuation lump sum payment (NAT 70947).

Helpful information may also be found on the ATO website under:

- How to complete the PAYG payment summary – superannuation income stream payment form;
- How to complete the PAYG payment summary – lump sum payment form.

Superannuation Income Streams

A superannuation income stream includes:

- allocated pensions that remain in place until a trigger event occurs;
- market linked pensions;
- complying lifetime pensions still in existence;
- the new account based pensions from 1 July 2007.

It is important to note that the requirement for a PAYG summary statement only exists where a payment was made for someone who has not yet turned 60. Therefore, if a payment was made to someone on the day before their 60th birthday, this payment needs to be reported to the ATO and taxed accordingly.

Deferring payments to people in the year they turn 60 until after their birthday will therefore result in a lower tax liability for not much effort!

People who are over the age of 60 for the entire financial year should not need to receive a PAYG summary statement and do not include the amount received in their tax return.

Note also that if the fund is not required to withhold tax, it no longer needs to be registered for PAYG withholding.

Lump Sum Payments

Again, lump sum payments only need to be reported when the receiving member is under age 60 at the time of receipt.

Note that if a member is receiving an income stream and would like to withdraw an additional amount (for example, to go on a round the world cruise) this is deemed to be part of their pension.

Should you require assistance or additional information, please contact
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