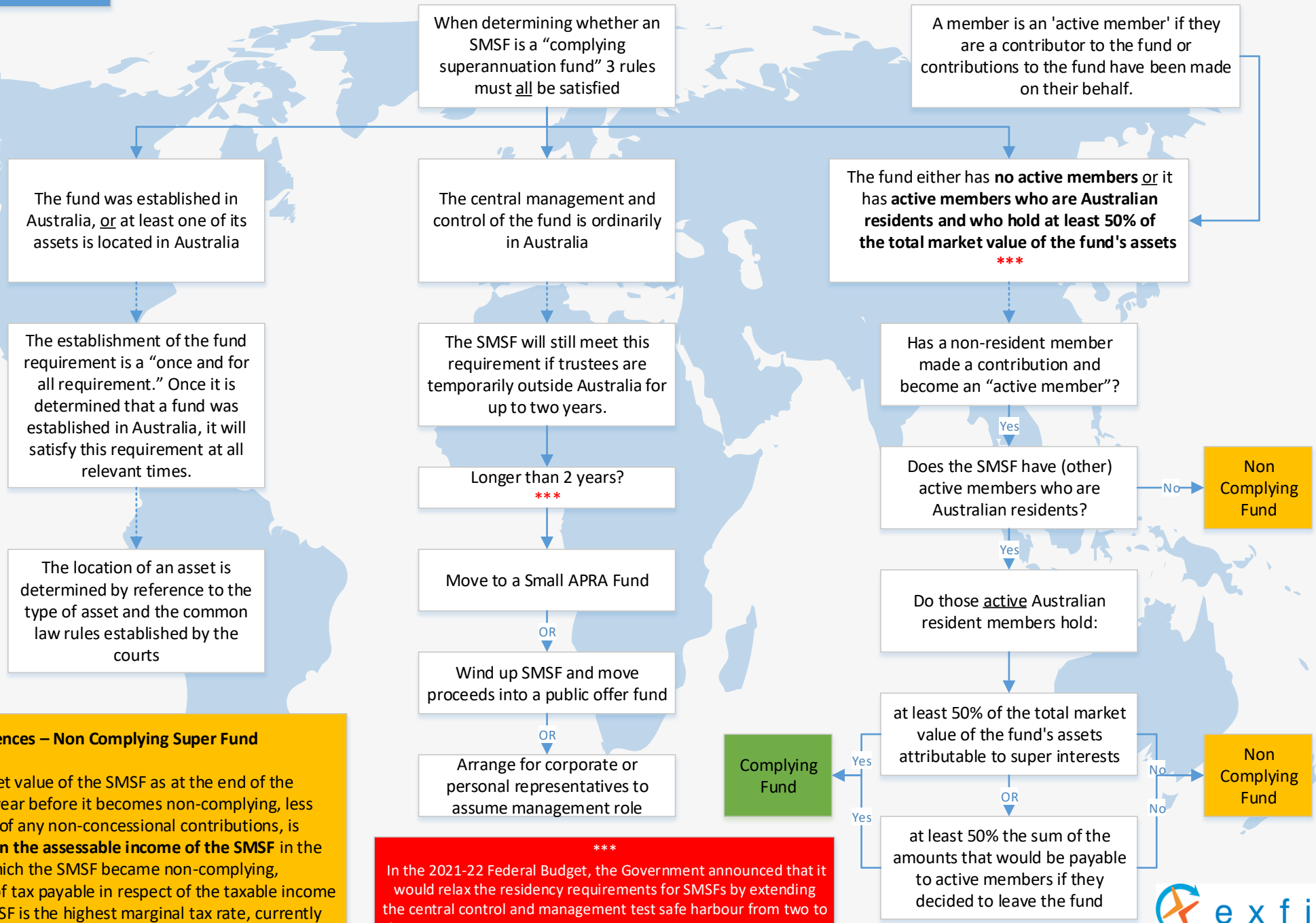


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Self Managed Superannuation Funds – Residency Rules



Tax Consequences – Non Complying Super Fund

- The market value of the SMSF as at the end of the financial year before it becomes non-complying, less the value of any non-concessional contributions, is **included in the assessable income of the SMSF** in the year in which the SMSF became non-complying,
- The rate of tax payable in respect of the taxable income of the SMSF is the highest marginal tax rate, currently 45 per cent, rather than the usual 15 per cent

In the 2021-22 Federal Budget, the Government announced that it would relax the residency requirements for SMSFs by extending the central control and management test safe harbour from two to five years, and also remove the active member test. The intended implementation date was 1 July, 2022 – now likely deferred.

