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Self-managed superannuation fund annual return instructions 2024

Use these instructions to complete the self-managed superannuation fund (SMSF) annual return 2024.

Published 30 May 2024

How to get the SMSF annual return 2024

How to get a copy of the form and for help to complete the SMSF income tax return.

What's new for SMSFs?

Find out what's new in legislation or other changes to take into consideration when lodging your SMSF annual return.

How to lodge and pay your SMSF annual return

How to lodge the SMSF annual return and the payment options available.

Instructions to complete your SMSF annual return 2024

Instructions for completing the SMSF annual return. You must complete at least 6 sections (A, C, D, (F and/or G), H, K).

Appendixes for the SMSF annual return



Additional information to help complete certain sections of your Self-managed superannuation fund annual return.


QC 101714

How to get the SMSF annual return 2024

How to get a copy of the form and for help to complete the SMSF income tax return.

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Get the SMF annual return

Go to the [Self-managed superannuation fund annual return 2024](#)  on our Publication Ordering Service (POS) at iorder.com.au to get a copy.

Get the SMSF annual return instructions

The *Self-managed superannuation fund annual return instructions 2024* are not available in print.

You can create and save a PDF copy (PDF, 6.5 MB) from this webpage – select the **Print or Download PDF icon** under the page heading then select **PDF whole topic**.

These instructions will help you complete the *Self-managed superannuation fund annual return 2024* (SMSF annual return). However, they are not a guide to income tax or superannuation law. Seek help from us or a recognised tax adviser if these instructions don't fully cover your circumstances.

Who needs to complete an SMSF annual return?

Your super fund must lodge a *Self-managed superannuation fund annual return 2024* if it was either:

- a self-managed superannuation fund on 30 June 2024
- a self-managed superannuation fund that was wound up during 2023–24.

Only self-managed superannuation funds (SMSFs) can use the *Self-managed superannuation fund annual return 2024*.

Super funds that are **not** SMSFs at the end of 2023–24 must use the *Fund income tax return 2024* and, where required, report contributions and member account balances separately.

Your SMSF must lodge an SMSF annual return even if it does not have a tax liability.

Information you report in your annual return does not affect your member's transfer balance account. You must report transfer balance cap events such as your member starting or commuting a retirement phase income stream separately, see [Event-based reporting for SMSFs](#).

Using the SMSF annual return instructions

The SMSF annual return is more than an income tax return. It has 11 sections. You must complete at least 6 Sections **A**, **C**, **D**, (**F** and/or **G**), **H** and **K**. Complete the other sections only if they apply to your SMSF.

Work through these SMSF annual return instructions from the start (section A) to the finish (section K).

- You must answer all mandatory items.
- You must answer all items which apply to your SMSF.

Leave the answer box blank for all other items. If you leave the answer box blank, you will have specified a zero amount or that the item is not applicable to you.

Read the instructions for each item to find out:

- whether you need to complete the item
- the information you must provide.

If a question does not apply to your SMSF, move on to the next item.

Privacy

The ATO is authorised to ask for information on the *Self-managed superannuation funds annual return 2024* by the *Taxation Administration Act 1953*, the *Superannuation Industry (Supervision) Act 1993*, the *Income Tax Assessment Act 1936* (ITAA 1936) and the *Income Tax Assessment Act 1997* (ITAA 1997). We use this information to help us administer the superannuation and taxation laws and for statistical purposes. If you don't provide this information, there may be a delay in processing your annual return.

Where authorised by law to do so, we may give the information in the annual return to other government agencies, including assistance agencies such as Services Australia, regulatory bodies such as the Australian Securities & Investments Commission and the Australian Prudential Regulation Authority, law enforcement agencies and the Australian Bureau of Statistics.

We are able to request tax file numbers (TFNs). We use TFNs to identify the SMSF and members in our records. It is not an offence not to provide a TFN. However, if you don't provide a TFN, there may be a delay in processing your annual return.

If you are the person authorised to sign the annual return, we collect some personal information about you on the annual return such as your name and contact details. That information allows us to contact you if we require more information on what you have provided on this annual return.

We also provide taxpayer information to treaty partners overseas under **international tax agreements** with many other countries.

Our **privacy policy** contains important information about your privacy, including information about how you can access and seek correction of information we hold about you, how you may complain about a breach of the Australian Privacy Principles and how we will deal with any privacy complaint.

You can contact us if you have any questions:

- see, [How you can enquire or complain about a suspected breach](#)
- phone, **13 28 61**
- mail, GPO Box 9990 in the capital city of your state or territory.

The Australian Business Register's privacy policy

The Australian Business Register (ABR) is authorised by the *A New Tax System (Australian Business Number) Act 1999* and other taxation laws to collect certain information relating to your SMSF. Business details supplied on your annual return may be used to update the information held in the ABR in relation to your SMSF. This may include cancelling the ABN if your SMSF is no longer entitled to be registered in the ABR.

Where authorised by law, selected information in the ABR may be made publicly available and some may be passed on to other Commonwealth, state, territory and local government agencies. These agencies may use ABR information for purposes authorised by their legislation or for carrying out other functions of their agency. Examples of possible uses include registration, reporting, compliance, validation and updating of databases.

You can find details of agencies that regularly receive information from the [ABR](#) or you can phone us on **13 92 26** between 8:00 am and 6:00 pm Monday to Friday to have a list of the agencies sent to you.

For more information about privacy, the information we collect and how it may be used, see the [ABR Privacy statement](#).

Continue to: [What's new for SMSFs](#)

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What's new for SMSFs?

Find out what's new in legislation or other changes to take into consideration when lodging your SMSF annual return.

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Small business energy incentive

This measure is not yet law. You can't claim the small business energy incentive until the law is enacted.

The [Treasury Laws Amendment \(Support for Small Business Charities, and other Measures\) Bill 2023](#)  provides businesses with an aggregated annual turnover of less than \$50 million with access to a bonus deduction equal to 20% of the cost of eligible assets or improvements to existing assets that support more efficient energy use.

This is a temporary measure to support small businesses to improve their energy efficiency and save on their energy bills. The bonus deduction applies to the cost of eligible assets and improvements up to a maximum amount of \$100,000, with the maximum bonus deduction being \$20,000.

You claim the small business energy incentive at label **L1 Deductible other amounts**.

For more information, see [Small business energy incentive](#).

Trust income schedule

From the 2024 income year, if you received one or more distributions from trusts, you must complete a *Trust income schedule 2024* and attach it to your SMSF annual return. The trust income schedule details each distribution that you receive from trusts.


Complete the schedule if you report a distribution from a trust at:

- item **11** income, labels
 - **A Net capital gain**
 - **D1 Gross foreign income**
 - **M Gross trust distributions**
 - **U2 Net non-arm's length trust distributions.**

For information to help you complete the trust income schedule and who must complete the schedule, see [Trust income schedule and instructions 2024](#).

Non-arm's length expenses (NALE)

This measure is not law yet.

The [Treasury Laws Amendment \(Support for Small Business and Charities and other Measures\) Bill 2023](#)  proposes to amend the rules for NALE for superannuation entities.

Under the amendments, it is proposed that, from 1 July 2018:

- For small complying funds, the amount of non-arm's length income arising from a non-arm's length general expense will be twice the difference between the expense that the entity did incur (including nil expenditure) and the amount that might have been expected to be incurred. This is the 'Twice the difference approach'.
- Large APRA regulated funds, exempt public sector superannuation funds, pooled superannuation trusts (PSTs) and approved deposit funds (ADFs), will be exempt from the non-arm's length income rules arising from NALE for both non-arm's length general and specific expenses. However, they will still be subject to the remaining non-arm's length income rules for income derived on a non-arm's length basis.
- For all superannuation funds, exempt the application of the NALE rules for expenditure incurred or expected to have incurred before 1 July 2018.

Continue to: [How to lodge and pay your SMSF annual return](#)

Return to: [How to get the SMSF annual return 2024](#)

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How to lodge and pay your SMSF annual return

How to lodge the SMSF annual return and the payment options available.

Published 30 May 2024

Lodging the SMSF annual return and schedules


An SMSF must lodge an SMSF annual return, even if it does not have a tax liability for the income year.

You can lodge the SMSF annual return, either:

- [electronically using standard business reporting \(SBR\)](#)
- [on the paper form](#).

Your annual SMSF audit must be finished before you lodge the SMSF annual return. You need information from the audit report to complete the regulatory information on the SMSF annual return.

Lodging electronically

To lodge electronically you need software that supports electronic lodgment by [SBR](#) .

You can't lodge electronically and must lodge a paper SMSF annual return, if the SMSF has:

- no assets or liabilities (unless it was wound up during 2023–24)
- no assessable income
- a type of deduction that can be claimed even where there is no assessable income, such as tax-agent fees and the SMSF supervisory levy
- both non-arm's length income and an arm's length loss.

You must keep arm's length income, deductions and losses separate from non-arm's length income, deductions and losses.

You must reduce any tax loss by the SMSF's tax exempt current pension income before you carry the loss forward to 2024–25.

You must lodge a paper annual return if these circumstances apply to your SMSF.

Lodging the paper SMSF annual return

You can lodge a paper SMSF annual return that:

- you have downloaded and printed *Self-managed superannuation fund annual return 2024*

- we have sent to you.

To lodge your paper SMSF annual return, you must:

- send us your original paper SMSF annual return
- send your SMSF annual return to the following address

Australian Taxation Office
GPO Box 9845
IN YOUR CAPITAL CITY

The address must appear exactly as shown above. Don't use a city name or postcode, as we have a special agreement with Australia Post.

Photocopy the original annual return for the SMSFs records.

Lodging schedules

The following are the only schedules that you include with the SMSF annual return, if required:

- Capital gains tax schedule 2024
- Family trust election, revocation or variation 2024
- Interposed entity election or revocation 2024
- Losses schedule 2024
- Non-individual PAYG payment summary schedule 2024
- any election required by Taxation Ruling IT 2624 *Income tax: company self assessment; elections and other notifications; additional (penalty) tax; false or misleading statement.*

If you lodge the SMSF annual return without all the required schedules, we may not consider it to have been lodged in the approved form. Unless you lodge all schedules by the due date, we may apply a penalty for failing to lodge on time.

You may have to complete other schedules or documents which you are not required to lodge with your SMSF annual return. Don't send them with the SMSF annual return. Sign and date any schedules and keep the schedules and documents with the SMSF's tax records.

Lodgment due dates

The SMSF annual return for a particular income year is due in the following income year. So the 2024 SMSF annual return (for 2023–24) is due in 2024–25.

Not all SMSFs have the same lodgment due date. Check below for the due date that applies to your SMSF.

If a due date falls on a weekend or public holiday you can lodge or pay on the next business day.

Self-preparers

An SMSF that prepares and lodges its own annual return must lodge by the applicable date shown in the table below. If more than one date applies to the SMSF, it must lodge by the earliest date that applies to it.

Table: Dates and types of lodgment for self-preparers

Lodgment date	Self-preparer to whom the date applies	Payment due date (if required)
31 October 2024	<ul style="list-style-type: none">• New registrant SMSF• SMSF with one or more annual returns overdue on 30 June 2024 (unless they have been granted a deferral)	1 December 2024
31 January 2025	<ul style="list-style-type: none">• SMSF that was a taxable large or medium entity in 2023–24	1 December 2024. See Due dates for lodging and paying.
28 February 2025	<ul style="list-style-type: none">• All other self-preparing SMSFs (unless we have directed you to lodge on a different date)	28 February 2025

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Failure to lodge your SMSF annual return by the due date can result in penalties and the loss of your SMSF's tax concessions.

Tax agent clients

An SMSF that uses a registered tax agent to prepare and lodge its annual return should contact its tax agent to find out the due date for lodgment.

For your first year the due date will be 28 February 2025.


Amending an SMSF annual return

To amend your SMSF annual return you need to:

- resubmit the whole annual return, and
- answer **Yes** to the question **Is this an amendment to the SMSF's 2024 return?** at Section **A**, item **5**.

When submitting an amendment, you must complete the new form in full (not just the parts you want to change). Your amended form will replace the original form in our system.

You can lodge amendments to the 2024 SMSF annual return by:

- lodging a full SMSF annual return through **Secure mail** in Online Services for business
- lodging electronically using commercial software that supports [Standard business reporting](#)  (tax agents only)
- providing a full SMSF annual return through **Online services for agents** (tax agents only)
- sending the paper form *Self-managed super fund annual return 2024* (NAT 71226) to

Australian Taxation Office
GPO Box 9845
IN YOUR CAPITAL CITY

The address must appear exactly as shown above. Don't use a city name or postcode. We have a special agreement with Australia Post.

You have not lodged your amended paper SMSF annual return if it is sent to another address (even if it is the address of an ATO office).

You can't request amendments to an SMSF annual return by either:

- writing to us with the correct details
- using a *Request for amendment of an income tax return for individuals* form.

Assessment

Under full self-assessment, an SMSF completes and lodges its annual return and pays the amount it is required to pay (if any) to the ATO. An assessment of an SMSF is deemed to be made on the day on which the annual return is lodged.

The SMSF will not receive a notice of assessment. However, we will issue a notice of amended assessment if subsequent amendments are made.

If you don't agree with a decision made by the ATO, see **Dispute or object to an ATO decision**.

You can request a ruling or SMSF specific advice to clarify the way the law applies to your SMSF. For more information, see:

- **Applying for a private ruling**
- **How to apply for SMSF specific advice – Getting started.**

How to pay the SMSF annual return

The tax payable by a fund for an income year becomes due and payable on the statutory due date, which is the first day of the sixth month of the following income year. For example, for 30 June balancing funds the statutory due date is 1 December.

We offer a range of convenient payment options. For the full list of payment options see **How to pay**.

Your payments must reach us on or before the [due date](#). When you use a valid **payment reference number (PRN)**, your payment may take up to 4 business days to appear on your ATO account.

General interest charge (GIC) will be applied to any outstanding amounts owing after the due date.


If you can't pay your tax debt when due

You are expected to organise your affairs to ensure that you pay your debts on time.

If you can't pay your debt on time, you may be eligible for a **payment plan**. You need to consider how much you can pay so you can meet each ongoing payment amount and future obligations.

We recommend you use the **payment plan estimator** to work out a plan you can afford.

Even if you enter into a payment plan, GIC will accrue on the unpaid amount on a compounding basis. If you owe \$200,000 or less you can set up a payment plan:

- through [Online Services for business](#)  – select Accounts and payments then payment plans
- through your registered tax agent or BAS agent who can use online services to enter a payment plan on your behalf
- by phoning our **automated service for business enquires**.
- To set up a payment plan, you need your Australian Business Number (ABN) or Tax File Number (TFN) and the full details of your outstanding amount. You may need to provide details of the SMSF's financial position, including a statement of its assets and liabilities and details of the SMSF's income and expenditure. We will also want to know what steps you have taken to obtain funds to pay the tax debt and the steps you are taking to meet future payments of tax debts on time.

If your business owes over \$200,000, phone our **lodge and pay enquiry line** during operating hours to discuss your options.

Penalties and interest charges

You should take care in your application of the law and the statements you make in the SMSF annual return. The law imposes penalties on the trustees of SMSFs for:

- failing to lodge the annual return on time and in the approved form
- making a false or misleading statement even if there is no shortfall amount

- having a shortfall amount for underreporting a liability or over-claiming a credit that is caused by taking a position that is not reasonably arguable
- failing to provide an annual return from which the Commissioner can determine a liability
- entering into a scheme to obtain a tax benefit.

Knowingly answering a question incorrectly will result in a higher penalty than answering carelessly. SMSF trustees have ultimate responsibility for the SMSF, regardless of whether or not the trustees use professional services such as administration providers, tax agents or other financial advisers.

Penalties for false or misleading statements will not apply, if:

- the trustee of the SMSF and their agent (if applicable) made a mistake and they took reasonable care with making the statement, or
- the trustee of the SMSF gave their registered tax agent all relevant taxation information and the agent makes a false or misleading statement due to a lack of reasonable care by the agent.

The trustee of an SMSF is liable for GIC if:

- tax, penalties or shortfall interest charges (SIC) remain unpaid after the due date for payment, or
- a variation of a pay as you go (PAYG) instalment rate or amount is less than 85% of the rate or amount which would have covered the SMSF's actual liability for the year.

The trustee of an SMSF is liable for the SIC if the SMSF's income tax assessment is amended and its liability increased. Generally, the SIC accrues on the extra tax payable from the due date of the original assessment until the day before the assessment is amended.

For general information about SMSF penalties, see [How we deal with non-compliance](#).

Continue to: [Instructions to complete your SMSF annual return 2024](#)

Return to: [What's new for SMSFs?](#)

Instructions to complete your SMSF annual return 2024

Instructions for completing the SMSF annual return. You must complete at least 6 sections (A, C, D, (F and/or G), H, K).

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Section A: SMSF information – items 1 to 10



Instructions to complete Section A, items 1 to 10 – SMSF information.

Section B: Income – item 11



Complete this section if the SMSF has assessable income earned during the 2023–24 income year.

Section C: Deductions and non-deductible expenses – item 12



You must complete Section C for the SMSF. Report all the SMSF's expenses, both deductible and non-deductible.

Section D: Income tax calculation statement – item 13



You must complete Section D. Calculate the amount of tax and other charges payable by, or refundable to, the SMSF.

Section E: Losses – item 14



Complete this section if the SMSF has tax losses or capital losses to carry forward to later income years.

Sections F and G: Member information and supplementary member information



Complete Section F or G for the SMSF members to report contributions, other transactions, and accounts balances.

Section H: Assets and liabilities – items 15 and 16



You must complete Section H for the SMSF. Report all of the SMSF's assets and liabilities at 30 June 2024.

Section I: Taxation of financial arrangements – item 17



Complete this section if the taxation of financial arrangements provisions apply to the SMSF.

Section J: Other information



Complete this section if the SMSF has made or is making a family trust election or an interposed entity election.

Section K: Declarations



Complete this section for the SMSF. Declare that you have met your obligations in relation to the SMSF annual return.

Section A: SMSF information – items 1 to 10

Instructions to complete Section A, items 1 to 10 – SMSF information.

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Before you start

The SMSF annual return is more than an income tax return. It has 11 sections. You must complete at least 6 sections (**A**, **C**, **D**, (**F** and/or **G**), **H** and **K**). Complete the other sections only if they apply to your SMSF.

You must complete every item in section A. This section asks you to provide information about the SMSF, including its current status and details from its annual auditor's report.

1 Tax file number (TFN)

Write the TFN of the SMSF in the boxes at item **1** and in the boxes at the top of the form on pages 3, 5, 7 and 9.

We are authorised by the *Taxation Administration Act 1953* to request the SMSF's TFN. We will use it to identify the SMSF in our records. It is not an offence not to provide this TFN. However, if you don't provide the TFN, there may be a delay in processing the SMSF's annual return. For more information about privacy and TFNs, see [Your privacy](#).


2 Name of self-managed superannuation fund (SMSF)


Write the current name of the SMSF exactly as it appears on the SMSF's trust deed or equivalent document at item **2**.

The name of the SMSF should be the same as in past years unless the SMSF has changed its name. If the name of the SMSF is legally changed, you must notify us of the change within 28 days.

3 Australian business number (ABN)

If the SMSF has an ABN write it in the boxes at item **3**. Providing the SMSF ABN ensures account details for the SMSF are displayed for the member when they access ATO online services.

If the SMSF does not have an ABN, leave the boxes blank. We recommend that you apply for an ABN at the [Australian Business Register](#) .

The ABN is a unique business identifier used in dealings with the Australian Government. It is also available to state, territory and local government regulatory bodies. Identification for tax law purposes is only one of the uses of the ABN. For more information about privacy and ABNs, see the [ABR Privacy statement](#) .

4 Current postal address

Write the current postal address of the SMSF at item **4**.

We will use this address to send correspondence.

Abbreviate 'care of' to 'C/-' only.

5 Annual return status

Answer the 2 questions at item **5**:

A – Is this an amendment to the SMSF's 2024 annual return?

Print **X** in the appropriate box, either **No** or **Yes** at item **5** – label **A**.

If you are lodging an amended annual return, you must complete and lodge the entire annual return. Don't lodge only the changed information, see [Amending an SMSF annual return](#).

B – Is this the first required return for a newly registered SMSF?

Print **X** in the appropriate box, either **No** or **Yes** at item **5** – label **B**.

If you are lodging, or amending, an SMSF's first annual return, you must complete item 13 – label **N Supervisory levy adjustment for new funds** in Section **D: Income tax calculation statement**.

6 SMSF auditor

SMSFs must be audited every income year. The auditor must be registered as an SMSF auditor with the [Australian Securities &](#)

[Investments Commission](#)  (ASIC). Check that your auditor is registered.

Your auditor must provide you and any other trustee of your fund with a completed and signed **Self-managed superannuation fund independent auditor's report** before you can lodge this annual return. The details that you need to complete this item are available from that report.

Auditor's name

Print **X** in the appropriate box for the title of the auditor, or print a different title in the **Other** box.

Write, in the boxes provided, the auditor's:

- family name and given names
- SMSF auditor number (SAN)
- phone number – 10 digits
- postal address – including suburb or town, state and postcode.

A Date audit was completed

Write at label **A** the date the audit was completed.

B Was Part A of the audit report qualified?

SMSF trustees may be penalised for making a false or misleading statement.

You will need to check if the auditor has qualified **Part A: Financial audit** of the SMSF independent auditor's report.

Print **X** in the appropriate box, either **No** or **Yes** at label **B**.

Answer **No** if:

- the audit report was not qualified, or
- the audit report was only qualified in relation to insufficient audit evidence under Auditing Standard ASA 510 Initial Audit Engagements – Opening Balance.

Answer **Yes** if the audit report was qualified.

C Was Part B of the audit report qualified?

SMSF trustees may be penalised for making a false or misleading statement.

You will need to check if the auditor has qualified **Part B: Compliance engagement** of the SMSF independent auditor's report.

Print **X** in the appropriate box, either **No** or **Yes** at label **C**.

If you answer **No**, go to [7 Electronic funds transfer \(EFT\)](#).

D If Part B of the audit report was qualified, have the reported issues been rectified?

Print **X** in the appropriate box, either **No** or **Yes** at label **D**.

7 Electronic funds transfer (EFT)

You must provide the SMSF's bank account details at label **A**, even if you have given them to us previously.

Don't provide a tax agent's financial institution account details at label **A**.

Providing a trustee's personal account details, instead of the SMSF's bank account details, may result in improper early access to super benefits. This is illegal. If a benefit is unlawfully released, we may apply significant penalties to the SMSF and the recipient of the benefits.

A Fund's financial institution account details

Write at label **A** the details of the SMSF's account with a financial institution. We will make super payments to this account.

We will also pay tax refunds to this account if you don't complete label **B**.

We need your financial institution details to pay any refund owing to you, even if you have provided them before, including:

- SMSF's Bank State Branch (BSB) number (6 digits, don't include spaces or hyphens)
- SMSF's account number (no more than 9 digits, don't include spaces or hyphens)
- SMSF's account name – for example, SMSF C. The account name must not exceed 64 characters, including spaces. To keep within

the 64 character limit, you may abbreviate the full name of the SMSF (for example, by using 'ATF' instead of 'as trustee for' or 'Super Fund' or 'SF' instead of 'Superannuation Fund'). If the SMSF's bank (or similar financial institution) account name has more than 64 characters, provide the first 64 characters only.

Your refund can only be paid into a recognised Australian financial institution account.

Do you want to use the SMSF bank account to receive both super contributions and rollovers, and tax refunds?

- **Yes** – Print **X** in the '**I would like my tax refunds made into this account**' box. Go to label **C**.
- **No** – Write at label **B** the details of the bank account to which we will pay refunds.

B Financial institution details for tax refunds

If you would like your tax refunds made to a different account than that recorded at label **A**, write at label **B** the details of the bank account that you want us to pay tax refunds to.

You can provide tax agent financial institution details at label **B**. Don't add tax agent financial institution details into label **A**.

Write the financial institution details in the boxes, include:

- Bank State Branch (BSB) number (6 digits, don't include spaces or hyphens)
- Account number (no more than 9 digits, don't include spaces or hyphens)
- Account name. The account name must not exceed 64 characters, including spaces. If the financial institution account name has more than 64 characters, provide the first 64 characters only.

C Electronic service address alias

Write at label **C** your active electronic service address (ESA).

An ESA alias consists of a maximum of 16 alphanumeric characters with a combination of upper and lower case characters – for example, SMSFdataESAAlias.

SMSFs that receive employer contributions (other than from an employer that is a related-party) or rollovers from other super funds must have an active ESA alias registered with an SMSF messaging service.

This enables electronic remittance advice, contribution and rollover messages to be sent to your SMSF when:

- non-related employers make super contribution payments
- the ATO transfers super entitlements such as government contributions or unclaimed monies
- super funds rollover super monies (in part and in full) to your SMSF.

If you have received, or expect to receive, contributions or rollovers for one or more of your members, you must get an ESA alias for your SMSF from:

- a registered SMSF messaging service provider
- your tax agent, or
- your SMSF administrator.

An ESA is not an email address or the contact details of the registered SMSF messaging provider.

The ESA alias provided by your SMSF messaging service provider is case sensitive and must be provided to us in the exact format as it was provided to you.

If your SMSF does not have an ESA, the SMSF may not receive super payments.

For more information about getting an electronic service address, see **Register of SMSF messaging providers** (the Register).

Since 1 October 2021, SMSFs receive rollovers into their fund and make rollovers from their fund only by using SuperStream. Check with your provider or on the Register to ensure your ESA is set up for rollovers. For more information about ESAs and preparing your SMSF for the SuperStream standard for contributions and rollovers, see **Responding to release authorities issued to SMSFs**.

You will receive a **change of details alert** for changes made to your financial institution details and Electronic service address on the SAR.

8 Status of SMSF

A Australian superannuation fund

Is the SMSF an 'Australian superannuation fund'?

Print **X** in the appropriate box, either **No** or **Yes** at item 8 – label **A**.

For the definition of 'Australian superannuation fund', see **Australian super fund**.

If the SMSF does not meet the definition of Australian super fund at all times during the income year, the SMSF is not a **complying SMSF** and it will not receive the concessional rate of tax.

If you are the trustee of an SMSF and you are planning on going overseas, we suggest that you consider whether your SMSF will still be an Australian super fund.

B Fund benefit structure

Print at label **B** the code from **table 1** that best describes the benefit structure of the SMSF. Most SMSFs will use code **A**.

Table 1: SMSF benefit structures

Code	Definition of SMSF benefit structure
A	<p>An SMSF is an accumulation fund if the SMSF provides its members with a benefit which is the total of:</p> <ul style="list-style-type: none">• specifically defined contributions to the SMSF• <i>add</i><ul style="list-style-type: none">– earnings on those contributions• <i>subtract</i><ul style="list-style-type: none">– any costs attributed to the member. <p>An SMSF of this type must use code A, even if the SMSF or any of its accounts is supporting a super income stream benefit.</p>
D	<p>An SMSF is a defined benefit fund if the SMSF:</p> <ul style="list-style-type: none">• was paying a 'defined benefit pension' to a member before 12 May 2004, and

	<ul style="list-style-type: none"> • pays its members a benefit worked out from a formula that includes <ul style="list-style-type: none"> – the years of membership in the SMSF, and – the average salary level over a specific time.
E	An SMSF is a hybrid fund if it has a combination of both accumulation and defined benefit members.

C Does the fund trust deed allow acceptance of the government's super co-contribution and low income super amounts?

A Low income super amount (LISA) is a Low income super tax offset (LISTO).

Does the fund trust deed allow the SMSF to accept the government's super co-contribution and low income super amount for all eligible members?

Print **X** in the appropriate box, either **No** or **Yes** at item 8 – label **C**.

If the trust deed allows the acceptance of government contributions and low income super amounts, you must provide your SMSF with an electronic service address (ESA) alias at **Section A, item 7 – label C**.

9 Was the fund wound up during the income year?

If the fund was wound up during the income year, print **X** in the appropriate box, at item **9**.

- **No** – Print **X** in the **No** box. Go to item [10 Exempt current pension income](#).
- **Yes** – Print **X** in the **Yes** box. Write the date on which the SMSF was wound up in the boxes provided. That date must be a date from 1 July 2023 to 30 June 2024 and be the date on which the fund no longer held any assets.

Have all tax lodgment and payment obligations been met?

Print **X** in the appropriate box, either **No** or **Yes** at item **9**.

For an SMSF that was wound up during 2023–24, have the trustees:

- paid all outstanding debts
- paid out or transferred all member benefits
- lodged all previous years' annual returns?

For an SMSF that was wound up during 2023–24, you must complete Section **D**, item **13 – label M Supervisory levy adjustment for wound up funds**.

Your fund's bank account must remain open until all expected liabilities have been settled and requested refunds have been received.

For information about your obligations when winding up an SMSF.

10 Exempt current pension income

If the SMSF paid retirement phase superannuation income stream benefits to one or more members during 2023–24, some, or all, of its ordinary income and statutory income may be exempt from income tax under the exempt current pension income rules.

This exempt income is called **exempt current pension income (ECPI)**.

For more information about the taxation of super entities, see Subdivision 295-F of the *Income Tax Assessment Act 1997*.

Did the fund pay retirement phase superannuation income stream benefits to one or more members during 2023–24?

- **No** – Print **X** in the **No** box. Go to Section B: Income.
- **Yes** – Print **X** in the **Yes** box. Complete the remaining items below.

Exempt current pension income amount

There are 2 methods you can use to work out the SMSF's exempt current pension income (ECPI):

- segregated assets method
- proportionate method.

Calculate the SMSF's ECPI and write it at item **10** – label **A**.

If you complete Section **B**, the amount that you write at label **A** for item **10** in Section **A** must be the same as the amount that you write at label **Y** Exempt current pension income for item **11** in Section **B**.

Which method did you use to calculate your exempt current pension income?

Print **X** in the appropriate box or boxes (labels **B** or **C** or both labels **B** and **C**) to indicate which method or methods you used to calculate the SMSF's ECPI.

Table: How to indicate which method was used

Method used	Label to complete
Segregated assets method	Print X in box at label B .
Proportionate method	Print X in box at label C . Print X in the Yes box at label D if you obtained an actuarial certificate that certifies the proportion of income that is exempt from income tax.
Both the segregated assets method and the proportionate method	Print X in the boxes at both labels B and C . Print X in the Yes box at label D if you obtained an actuarial certificate that certifies the proportion of income that is exempt from income tax.

Did the fund have any other income that was assessable?

- **Yes** – Print **X** in the **Yes** box at label **E**. Go to **Section B: Income**.
- **No** – The SMSF didn't receive any no-TFN-quoted contributions or have other assessable income for the income year. Print **X** in the **No** box at label **E**. Go to **Section C, item 12 Deductions and non-deductible expenses**.

Continue to: **Section B: Income – item 11**

Return to: **Instructions to complete your SMSF annual return 2024**

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Section B: Income – item 11

Complete this section if the SMSF has assessable income earned during the 2023–24 income year.

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Do you need to complete section B?

Most SMSFs need to complete section B. However, you don't complete section B if **all** the SMSF's income in 2023–24 is exempt from income tax under the **exempt current pension income** rules.

Don't assume that the SMSF has no assessable income (and that you don't need to complete section B) just because all its members received retirement phase superannuation income stream benefits in 2023–24. Situations where an SMSF has assessable income even though it pays retirement phase superannuation income stream benefits to all its members include:

- the SMSF is **non-complying**
- the SMSF has [non-arm's length income](#)
- the SMSF received [assessable contributions](#)
- the SMSF paid less than the minimum annual pension payment amount to one or more members receiving retirement phase superannuation income stream benefits (see **Income stream (pension)**)
- the SMSF is not paying retirement phase superannuation income stream benefits to all members for the entire income year

- the SMSF is paying superannuation income stream benefits from an income stream that is not in retirement phase, for example, a transition to retirement income stream paid to a member who is under 65 and has not notified the SMSF they have met a condition of release with a nil cashing restriction
- the value of the SMSF's assets exceeds the total of the account balances supporting the income streams (for example, an SMSF may keep assets in a reserve account, separate from the members' accounts, to be prepared for certain contingencies).

Whether or not you need to complete section B, remember to complete **Section C: Deductions and non-deductible expenses** where you include expenses that relate to the SMSF's tax-exempt income. Expenses, that are normally deductible, are generally non-deductible when they relate to tax-exempt income.

Answering Section B

Complete section B for all assessable income the SMSF earned during 2023–24, whether the SMSF received it or not.

Work through each question in this section and:

- write the relevant amount if the question applies to your SMSF
- write **zero** (0) at the mandatory question item **11** – label **R3 No-TFN-quoted contributions** if it doesn't apply to your SMSF
- leave the answer box blank for other questions that don't apply to your SMSF.


Answer the questions in their sequence.

- Some questions rely on information you have already entered in previous questions.
- You will need to go through the questions in the left-hand column (labels **D1**, **R1** to **R6**, **U1** to **U3**) before you can complete labels **D**, **R**, **U** in the right-hand column.

Don't show cents for any amount you write in this section.

Goods and services tax (GST)

If the SMSF is registered, or required to be registered, for GST purposes, don't include GST amounts in the assessable income you show on the annual return. In the deductions you show, don't include any amount that relates to **input tax credit** entitlements.

If the SMSF is not registered and not required to be registered for GST purposes, or if it is not entitled to an **input tax credit**, the deductions you show are the GST-inclusive amounts that the SMSF incurred. Special rules apply to GST adjustments. To register for GST, apply at the [Australian Business Register](#) .

Foreign currency translation rules

If the SMSF has entered into transactions in a foreign currency or derived income in a foreign currency, you need to translate those amounts to Australian currency to calculate the assessable or deductible amount.

For more information, see:

- Translation (conversion) rules
- General information on average rates.

Taxation financial arrangements (TOFA)

If the TOFA rules apply to the SMSF, include assessable income from financial arrangements subject to the TOFA rules at the appropriate item. Complete **Section I Taxation of financial arrangements** if you include an amount determined under the TOFA rules.

For more information, see **Section I: Taxation of financial arrangements**.

Family trust distribution tax (FTDT) and Trustee beneficiary non-disclosure tax (TBNT)

Don't include at any question in **Section B** any part of a distribution:

- received from a trust or partnership on which family trust distribution tax (FTDT) has been paid (don't show this anywhere in the annual return), or
- received (directly or indirectly) from a closely held trust on which trustee beneficiary non-disclosure tax (TBNT) has been paid (don't show this anywhere in the annual return).

Losses and outgoings that the SMSF incurred in deriving an amount that is excluded from assessable income because FTDT or TBNT has been paid are not deductible (report them as non-deductible expenses).

The SMSF can't claim a franking credits tax offset for any franking credits attributable to the whole or a part of a dividend that is excluded from assessable income because FTDT or TBNT has been paid.

Non-arm's length income

Amendments to the rules for non-arm's length expenditure (NALE) for superannuation entities are proposed in the [Treasury Laws Amendment \(Support for Small Business and Charities and Other Measures\) Bill 2023](#) [↗](#) (See, What's new for funds?). **This measure is not yet law.** These instructions have not been updated to reflect the proposed law changes. If you lodge your 2024 return before the law is enacted and are impacted by the law changes, you will need to amend your 2024 return. The proposed law changes are retrospective so you may also need to amend your prior year returns.

The factors that you need to consider when deciding whether a transaction is at arm's length or non-arm's length depend on whether the income is:

- [private company dividends](#)
- [distribution from a trust](#)
- [another type of income](#).

These factors are discussed in the following sections.

Complying SMSFs don't include non-arm's length income at Section **B**, labels **A** to **T**. Instead they include it at labels:

- [U1 Net non-arm's length private company dividends](#)
- [U2 Net non-arm's length trust distributions](#)
- [U3 Net other non-arm's length income](#).

For example, non-arm's length unfranked dividends are included at label **U1 Net non-arm's length private company dividends** instead of at label **J Unfranked dividend amount**.

Non-complying SMSFs don't need to separate their non-arm's length income from their arm's length income. They include both arm's length and non-arm's length income at labels **A** to **T**.

Private company dividends that are non-arm's length income

A dividend paid by a private company, or ordinary income or statutory income reasonably attributable to such a dividend, is non-arm's length income unless the amount is consistent with an arm's length dealing.

To decide whether the amount is consistent with an arm's length dealing, have regard to:

- the value of the shares held by the SMSF in the company
- the cost to the SMSF of the shares on which the dividends were paid
- the dividend rate on those shares
- whether dividends have been paid on other shares in the company (and at what rate)
- whether the company has issued shares in lieu of dividends to the SMSF and the circumstances of the issue
- any other relevant matters.

Consider any connection between the private company and the SMSF.

If the SMSF received non-arm's length private company dividends, include it at:

- label **U1 Net non-arm's length private company dividends** if the SMSF is complying
- the appropriate labels **A** to **T** (as if it were arm's length income) if the SMSF is non-complying.

For more information about determining whether income is non-arm's length income, see:

- **Non-arm's length income**
- Taxation Ruling **TR 2006/7** *Income tax: special income derived by a complying superannuation fund, a complying approved deposit fund or a pooled superannuation trust in relation to the year of income*

- Section 295-550 of the *Income Tax Assessment Act 1997*.

Trust distributions that are non-arm's length income

A distribution from a trust is non-arm's length income of a complying SMSF if:

- the SMSF, as beneficiary of a trust, does not have a fixed entitlement to income from the trust (generally discretionary trusts) – see, subsection 295-550(4) of the ITAA 1997, or
- all of the following apply:
 - the SMSF, as beneficiary of the trust, has a fixed entitlement to the income from the trust (generally unit trusts)
 - as a result of a scheme, the parties were not dealing with each other at arm's length, and
 - either or both of the following apply – see, subsection 295-550(5) of the ITAA 1997)
 - the amount of income is greater than what might have been expected had the parties been dealing with each other at arm's length in relation to the scheme
 - the loss, outgoing or expenditure (either revenue or capital in nature) incurred in acquiring the entitlement, or in gaining or producing that income, is less than (including a nil amount) what might have been expected had the parties been dealing with each other at arm's length in relation to the scheme.

If the SMSF received non-arm's length trust distributions, include it at:

- label **U2 Net non-arm's length trust distributions** if the SMSF is complying
- label **M Gross trust distributions** (as if it were arm's length income) if the SMSF is non-complying.

If you report a trust distribution that is non-arm's length at item **11** – label **U2** or item **11** – label **M**, complete a **Trust income schedule 2024** and attach it to the SMSF annual return.

For more information, see:

- **Non-arm's length income**

- Taxation Ruling TR 2006/7 *Income tax: special income derived by a complying superannuation fund, a complying approved deposit fund or a pooled superannuation trust in relation to the year of income*
- Law Companion Ruling LCR 2021/2 *Non-arm's length income – expenditure incurred under a non-arm's length arrangement*
- Section 295-550 of the *Income Tax Assessment Act 1997*.

Identifying other types of income that are non-arm's length

Other types of income (that is, income that is not a private company dividend or distribution from a trust) are non-arm's length income if the income is derived under a scheme where:

- the parties were not dealing with each other at arm's length, and
- either or both of the following apply
 - the income is greater than might have been expected had the parties been dealing with each other at arm's length in relation to the scheme
 - the loss, outgoing or expenditure (either revenue or capital in nature) incurred in gaining or producing the income is less than (including a nil amount) what might have been expected had the parties been dealing with each other at arm's length in relation to the scheme.

Whether income is non-arm's length income depends on all of the circumstances of the relationship including the return on the investment and the commercial risks undertaken by the SMSF. Other non-arm's length income may include, for example:

- interest on loans
- rent from property
- profit on the sale of assets
- net capital gains.

If the SMSF received non-arm's length income that is not a private company dividend or a trust distribution, include it at:

- label **U3 Net other non-arm's length income** if the SMSF is complying

- the appropriate label **A** to **T** (as if it were arm's length income) if the SMSF is non-complying.

For more information, see:

- Non-arm's length income
- Taxation Ruling TR 2006/7 *Income tax: special income derived by a complying superannuation fund, a complying approved deposit fund or a pooled superannuation trust in relation to the year of income*
- Law Companion Ruling LCR 2021/2 *Non-arm's length income – expenditure incurred under a non-arm's length arrangement*
- Section 295-550 of the *Income Tax Assessment Act 1997*.

Tax treatment of crypto assets

- If you acquired crypto assets as an investment or disposed of it in 2023–24, you may have to pay capital gains tax on the disposal. For more information, see **Transactions – acquiring and disposing of crypto assets**.
- If you acquired or disposed of crypto assets in the ordinary course of your business in 2023–24, the funds or property you receive through the acquisition and disposal are likely to be ordinary assessable income. For more information, see **Crypto assets used in business**.

11 Income

In this section, complete labels:

- [G, M and A Capital gains tax questions](#)
- [G Did you have a capital gains tax \(CGT\) event during the year?](#)
- [M Have you applied a CGT exemption or rollover?](#)
- [A Net capital gain](#)
- [B Gross rent and other leasing and hiring income](#)
- [C Gross interest](#)
- [X Forestry managed investment scheme income](#)
- [D1, D Foreign income questions](#)

- [D1 Gross foreign income](#)
- [D Net foreign income](#)
- [E Australian franking credits from a New Zealand company](#)
- [F Transfers from foreign funds](#)
- [H Gross payments where ABN not quoted](#)
- [I Gross distribution from partnerships](#)
- [J, K, L Dividends and franking credits](#)
- [J Unfranked dividend amount](#)
- [K Franked dividend amount](#)
- [L Dividend franking credit](#)
- [M Gross trust distributions](#)
- [R1, R2, R3, R6, R Assessable contributions](#)
- [R1 Assessable employer contributions](#)
- [R2 Assessable personal contributions](#)
- [R3 No-TFN-quoted contributions](#)
- [R6 Transfer of liability to life insurance company or PST](#)
- [R Assessable contributions](#)
- [S Other income](#)
- [T Assessable income due to changed tax status of fund](#)
- [U1, U2, U3 and U Non-arm's length income](#)
- [U1 Net non-arm's length private company dividends](#)
- [U2 Net non-arm's length trust distributions](#)
- [U3 Net other non-arm's length income](#)
- [U Net non-arm's length income](#)
- [W Gross income](#)
- [Y Exempt current pension income](#)
- [V Total assessable income](#)

G, M and A Capital gains tax questions

This section covers labels:

- [G Did you have a capital gains tax \(CGT\) event during the year?](#)
- [M Have you applied a CGT exemption or rollover?](#)
- [A Net capital gain.](#)

For most CGT events a capital gain or capital loss is the difference between what it cost the SMSF to acquire an asset and what the SMSF received when it disposed of the asset.

An SMSF's net capital gain forms part of its assessable income.

A capital gain or capital loss that a complying SMSF makes from a CGT event for a segregated current pension asset is disregarded.

If the SMSF makes a capital loss, the SMSF can't claim it against income but can use it to reduce a capital gain in the same income year. If total capital losses exceed total capital gains for the income year, the SMSF has a net capital loss. The SMSF can generally carry the net capital loss forward and deduct it against capital gains in future income years. Net capital losses are applied in the order in which they are made.

All SMSFs that have one or more CGT events during the income year must complete a **Capital gains tax schedule 2024** and attach it to the annual return if:

- the total current year capital gains are greater than \$10,000
- the total current year capital losses are greater than \$10,000
- you have chosen to apply the transitional CGT relief in 2016–17 and a realisation event occurred in 2023–24. For more information, see Law Companion Ruling LCR 2016/8 *Superannuation reform: transitional CGT relief for complying superannuation funds and pooled superannuation trusts*.

If you have current year capital losses, you may also need to complete a **Losses schedule 2024**.

You can calculate the SMSF's net capital gain or loss using the:

- capital gain or capital loss worksheet 2024
- capital gains tax schedule 2024 (if required).

How to report a capital gain or loss in the SMSF annual return

For information about reporting a capital gain or loss in the SMSF annual return, see the instructions for the following:

- [G Did you have a capital gains tax \(CGT\) event during the year?](#) (Section **B**)
- [A Net capital gain](#) (Section **B**)
- [Y Exempt current pension income](#) (Section **B**)
- **V** Net capital losses carried forward to later income years (Section **E**).

For information about reporting a capital gain or loss from an asset where the fund is paying a retirement phase income stream, see [How capital gains and capital losses are treated when an SMSF has ECPI](#).

Foreign source capital gains

An Australian super fund makes a capital gain or capital loss if a CGT event happens to any of its worldwide CGT assets.

An SMSF that is not an Australian super fund makes a capital gain or capital loss if a CGT event happens to a CGT asset that is a taxable Australian property.

For more information about CGT events, see [CGT events](#).

G Did you have a capital gains tax (CGT) event during the year?

Print **X** in the appropriate box, either **No** or **Yes** at item **11** – label **G**.

Answer **Yes** if the SMSF:

- had a CGT event occur during the income year
- received a share of net income from a trust that includes a capital gain, or
- is a subsequent participant in a forestry managed investment scheme and had a CGT event as a result of a harvest or a sale of an interest in the forestry managed investment scheme (see [Appendix 2: Forestry managed investment schemes](#)).

M Have you applied a CGT exemption or rollover?

Did the SMSF have capital gains disregarded or deferred as a result of applying a CGT exemption or rollover?

- **No** – Print **X** in the **No** box.
- **Yes** – Print **X** in the **Yes** box. In the code box at label **M**, print the appropriate code from **Table 2**.

If the SMSF has applied more than one CGT exemption or rollover and you are using software that allows it, **select all of the codes that apply**.

If you are lodging on a paper return, print the code that corresponds to the CGT exemption or rollover that resulted in the largest amount of capital gain disregarded or deferred.

If more than one CGT exemption or roll-over applies to the largest amount of capital gain disregarded or deferred, choose the most specific rollover or exemption code that applies. For example, choose the 'Scrip for scrip rollover (Subdivision 124-M)' code before the more general rollover 'Replacement asset rollovers (Division 124)' code.

If you have chosen to apply the transitional CGT relief in 2016–17 and a realisation event occurred in 2023–24 you must report it in the **Capital gains tax schedule 2024**.

Table 2: CGT exemptions and roll-over codes

Code	Description
A	Small business active asset reduction (Subdivision 152-C)
B	Small business retirement exemption (Subdivision 152-D)
C	Small business roll-over (Subdivision 152-E)
D	Small business 15-year exemption (Subdivision 152-B)
E	Foreign resident CGT exemption (Division 855)
F	Scrip for scrip roll-over (Subdivision 124-M)

L	Replacement asset roll-over (Division 124)
M	Exchange of shares or units (Subdivision 124-E)
N	Exchange of rights or options (Subdivision 124-F)
O	Exchange of shares in one company for shares in another company (Division 615)
P	Exchange of units in a unit trust for shares in a company (Division 615)
Q	Disposal of assets by a trust to a company (Subdivision 124-N)
S	Same asset roll-over (Division 126)
U	Early stage investor (Subdivision 360-A)
V	Venture capital investment (Subdivision 118-F)
X	Other exemptions and rollovers

For more information about CGT exemptions and rollovers, see [List of CGT assets and exemptions](#).

A Net capital gain

Did the SMSF have a net capital gain?

- **No** – Leave label **A** blank. Go to label **B**.
- **Yes** – Print at label **A** the SMSF's **net** capital gain.

The SMSF's **net capital gain** is the total capital gain for 2023–24 less:

- any 2023–24 capital losses
- any prior year net capital losses
- any other relevant CGT discount or concession.

Show at label **A** the amount of net capital gain calculated or transferred from:

- label **6A** at part **6** of the CGT summary worksheet

- label **A** at part **6** of the CGT schedule, if any.

When working out the SMSF's net capital gain, include:

- net foreign source capital gains
- the capital gains component of the SMSF's share of net income from a trust
- the capital gains component of the SMSF's share of a distribution from a partnership
- capital gains made by the SMSF from a forestry managed investment scheme (see **Appendix 2: Forestry managed investment schemes**)
- the amount of capital gain previously deferred under the Transitional CGT relief.

If you include an amount at label **A** that is **exempt current pension income**, include it also at item **11** – label **Y Exempt current pension income**.

If you report a distribution from a trust at item **11** – label **A**, complete a **Trust income schedule 2024** and attach it to the SMSF annual return.

For more information, see **Guide to capital gains tax 2024**.

Non-arm's length capital gains

A net capital gain from the sale of a CGT asset by the SMSF is [non-arm's length income](#) if, for example, the asset was either:

- sold to a related party for more than the asset's market value
- originally acquired from a related party for less than the asset's market value.

Complying SMSFs don't include non-arm's length net capital gains at label **A**. Show these at **Non-arm's length income** item **11** – labels **U2** or **U3**.

To calculate the SMSF's net capital gain, see **Calculating your CGT**.

Example: capital gains tax

In 2023–24, SMSF A sold a house for \$500,000. It bought the house for \$470,000 in 2014. Its capital gain from this sale using the discount method (see **CGT discount**) is \$20,000.

SMSF A reports at labels:

- G Did you have a capital gains tax (CGT) event during the year? – **Yes**
- M Have you applied an exemption or rollover? – **No**
- A Net capital gain – **\$20,000**.

B Gross rent and other leasing and hiring income

Did the SMSF earn income from renting, leasing or hiring of land, buildings or other assets?

- **No** – Leave label **B** blank. Go to label **C**.
- **Yes** – Read on.

Write at label **B** the total income that the SMSF earned from renting, leasing and hiring of land, buildings and other assets. The amount at label **B** should not be reduced by any loss or outgoing related to the income.

If you include an amount at label **B** that is **exempt current pension income**, include it also at item **11** – label **Y Exempt current pension income**.

Don't include at label **B** rental, leasing or hiring income that is:

- derived from foreign sources (write it at item **11** – label **D1 Gross foreign income**)
- part of a distribution from a partnership (write it at item **11** – label **I Gross distribution from partnerships**)
- included in a share of net income from a trust (write it at item **11** – label **M Gross trust distributions**)
- non-arm's length income of a complying SMSF (write it at item **11** – label **U3 Net other non-arm's length income**).

Example: rent, leasing or hiring income

In 2023–24, SMSF B rented a house (at arm's length) to a tenant. The tenant paid a total of \$15,000 in rent.

SMSF B reports \$15,000 at label **B Gross rent and other leasing and hiring income**.

C Gross interest

Did the SMSF earn interest income from an Australian source?

- **No** – Leave label **C** blank. Go to label **X**.
- **Yes** – Read on.

Write at label **C** the total interest income that the SMSF earned in 2023–24. The amount at label **C** should not be reduced by any loss or outgoing related to the income.

Include at label **C**:

- interest earned on money (for example)
 - in a bank (or similar institution) account
 - that the SMSF has lent to another person or organisation
- interest that is paid by us or credited against another SMSF liability because the SMSF paid a tax liability early.

If you include an amount at label **C** that is **exempt current pension income**, include it also at item **11** – label **Y Exempt current pension income**.

Don't include interest income that is:

- derived from foreign sources (write it at item **11** – label **D1 Gross foreign income**)
- part of a distribution from a partnership (write it at item **11** – label **I Gross distribution from partnerships**)
- non-share dividends received from holding a non-share equity interest (write it at item **11** – labels **J Unfranked dividend amount**, **K Franked dividend amount** and **L Dividend franking credit** as applicable; for more information, see [Guide to the debt and equity tests](#))

- included in a share of net income from a trust (write it at item **11** – label **M Gross trust distributions**)
- non-arm's length income of a complying SMSF (write it at item **11** – label **U3 Net other non-arm's length income**).

Example: interest income

In 2023–24, SMSF C had \$50,000 in a bank term deposit. The bank paid \$4,000 interest to SMSF C.

SMSF C reports \$4,000 at label **C Gross interest**.

X Forestry managed investment scheme income

Did the SMSF earn income from a forestry managed investment scheme (FMIS)?

- **No** – Leave label **X** blank. Go to labels **D1** and **D**.
- **Yes** – Read on.

Write at label **X** the SMSF's income from all FMISs. The amount at label **X** should not be reduced by any loss or outgoing related to the income.

You can read more about calculating FMIS income at **Appendix 2: Forestry managed investment schemes**.

If you include an amount at label **X** that is exempt current pension income, include it also at item **11** – label **Y Exempt current pension income**.

Don't include capital gains from an FMIS at label **X**; include these capital gains when working out the SMSF's net capital gain to show at item **11** – label **A Net capital gain**.

For more information on the CGT treatment of the SMSF's forestry interests, see **Capital gains tax**.

If the SMSF is a member of a collapsed agribusiness managed investment scheme, see **Collapse and restructure of agribusiness managed investment schemes – participant information**.

Example: forestry managed investment scheme income

In 2023–24, SMSF X had an investment with an FMIS. SMSF X received a statement from the FMIS. The statement shows that SMSF X's share of income from the FMIS during 2023–24 was \$10,000.

SMSF X reports in section B at label **X Forestry managed investment scheme income** – \$10,000.

Write SMSF X's share of any expenses at in section C, item **12** – labels **U1** or **U2 Forestry managed investment scheme expenses**.

D1, D Foreign income questions

Did the SMSF have foreign income or losses in 2023–24?

- **No** – Leave labels **D** and **D1** blank. Go to label **E**.
- **Yes** – Read on.

An Australian super fund is taxed on its worldwide income and must declare all income it earned from foreign sources.

Foreign income of the SMSF may be taxed in the foreign country. If the SMSF has paid foreign income tax it may be entitled to an Australian foreign income tax offset.

D1 Gross foreign income

Write at label **D1** the SMSF's gross assessable income from foreign sources in 2023–24. The amount at label **D1** should not be reduced by any loss or outgoing related to the income.

The SMSF's gross assessable foreign income includes income from foreign sources and any foreign tax paid on that income and without reducing it for any expenses related to that income. If the SMSF is unable to report the gross (pre-tax) amount of foreign source income on its share of net income from a trust, it can include the net (after-tax) amount at label **D1** instead.

Include at label **D1**:

- dividends, supplementary dividends and other dividends from foreign companies (including New Zealand franking companies that provide Australian franking credits)
- interest from foreign sources
- foreign source income included in a share of net income from a trust (don't include this at item **11** – label **M Gross trust distributions**)
- foreign source income included in a distribution from a partnership (don't include this at item **11** – label **I Gross distributions from partnerships**)
- attributable income through the controlled foreign company (CFC) regime.

Don't include:

- losses or deductible expenses from a foreign source (include these at item **11** – label **D Net foreign income**)
- Australian franking credits attached to New Zealand dividends (include these at item **11** – label **E Australian franking credits from a New Zealand company**)
- foreign exchange gains and losses from both foreign and domestic sources (write gains at item **11** – label **S Other income** and losses at Section **C**, item **12** – labels **L1** or **L2 Other amounts**)
- foreign source capital gains and losses (net capital gains should be included at item **11** – label **A Net capital gain**)
- foreign income that is non-arm's length income of a complying SMSF (include this at **Non-arm's length income** item **11** – labels **U1**, **U2**, or **U3**).

If you report a distribution from a trust at item **11** – label **D1**, complete a Trust income schedule 2024 and attach it to the SMSF annual return.

D Net foreign income

You must complete label **D**, if you write a value at label **D1**.

Write at label **D** the SMSF's net income from foreign sources in 2023–24.

To calculate the SMSF's net foreign income, take the amount at label **D1 Gross foreign income** and subtract:

- foreign source losses incurred in 2023–24 (but not CGT losses), and
- deductible expenses to the extent to which they relate to foreign income.

If the total amount at label **D** is **negative**, print **L** in the **Loss** box.

If you include an amount at label **D** that is **exempt current pension income**, include it also at item **11** – label **Y Exempt current pension income**.

Don't subtract debt deductions in calculating net foreign income at label **D**, except where they are attributable to an overseas permanent establishment of the SMSF. Include the debt deductions at the relevant item in **Section C**.

Example: foreign income

In 2023–24, SMSF D held shares that were listed on a foreign stock exchange. SMSF D received \$20,000 dividends, \$5,000 foreign franking credits and has deductible expenses of \$200 that relate solely to the dividends.

SMSF D reports at labels:

- **D1 Gross foreign income** – \$20,000
- **D Net foreign income** – \$19,800.

It does not include the foreign franking credits anywhere on its SMSF annual return.

E Australian franking credits from a New Zealand company

Dividends paid by New Zealand resident companies don't normally carry Australian franking credits. However, a New Zealand company can choose to join the Australian imputation system and distribute Australian franking credits with its dividends. The company may be referred to as a New Zealand franking company.

Did the SMSF receive Australian franking credits attached to a distribution from a New Zealand company?

- **No** – Leave label **E** blank. Go to label **F**.

- **Yes** – Read on.

Write at label **E** the total Australian franking credits, attached to assessable franked distributions from New Zealand companies, that the SMSF received in 2023–24. The amount at label **E** should not be reduced by any loss or outgoing related to the income.

The SMSF must have included the assessable franked distribution at item **11** –label **D1 Gross foreign income**. To work out whether the distribution is assessable in Australia, see the **Foreign income return form guide**.

If the SMSF received a supplementary dividend (or a share of it), in connection with the franked dividend, and the SMSF is entitled to a foreign income tax offset because the franked dividend is included in the SMSF's assessable income, you must reduce the Australian franking credits that the SMSF received directly or indirectly from a New Zealand company by the amount of the supplementary dividend (or the SMSF's share of it).

If the shares or interests are not held at risk as required under the holding period and related payments rules, or there is other manipulation of the imputation system, don't include the Australian franking credit in assessable income at label **E** and there is no entitlement to a franking tax offset.

You must also include the Australian franking credits that you include here at label **E**, at either Section **D**, item **13** – label:

- **E1 Complying fund's franking credits tax offset** if the SMSF is a complying fund
- **C2 Rebates and tax offsets** if the SMSF is a non-complying fund.

The amount at label **E** could include any Australian franking credits attached to assessable franked distributions that the SMSF received from a New Zealand franking company either:

- directly
- indirectly through a partnership or trust.

Don't include:

- the dividend from the New Zealand company (include this at item **11** – label **D1 Gross foreign income**)

- New Zealand imputation credits (you cannot claim New Zealand imputation credits in Australia)
- franking credits attached to a dividend that is non-arm's length income of a complying SMSF (include these at item **11** – label **U1 Net non-arm's length private company dividends**).

For more information, see:

- Trans-Tasman imputation special rules
- Subdivision 220-B of the *Income Tax Assessment Act 1997*.

Example: Australian franking credits from a New Zealand company

In 2023–24, SMSF E owned shares in a New Zealand company that participates in the Australian imputation system. SMSF E received \$10,000 dividends, \$1,000 New Zealand franking credits and \$500 Australian franking credits. SMSF E is a complying SMSF.

SMSF E reports at labels:

- **D1 Gross foreign income** – \$10,000
- **D Net foreign income** – \$10,000
- **E Australian franking credits from a New Zealand company** – \$500
- **E1 Complying fund's franking credits tax offset** in section D – \$500.

It does not include the New Zealand franking credits anywhere on its SMSF annual return.

F Transfers from foreign funds

Did the SMSF receive amounts transferred from foreign super funds?

- **No** – Leave label **F** blank. Go to label **H**.
- **Yes** – Read on.

Write at label **F** the total of the following amounts transferred in 2023–24 from foreign super funds and schemes to a complying SMSF:

- the amount transferred that the member has made a written choice to have included in the SMSF's assessable income (under **section 305-80** and **subsection 295-200(2)** of the ITAA 1997)
- assessable amounts transferred where the transferred amounts were in excess of what was 'vested' in the member at the time of transfer (**subsection 295-200(1)** of the ITAA 1997).

The amount at label **F** should not be reduced by any loss or outgoing related to the income.

Write in the **Number** box the number of transfers received from foreign super funds or schemes during 2023–24 that meet the criteria above.

Other transfers from foreign super funds or schemes are not assessable income for the SMSF (although they may be assessable income that needs to be reported in the member's personal income tax return). For more information, see **Tax on transfers from foreign super funds**.

Transfers from foreign super funds or schemes are not exempt from income tax under the **exempt current pension income** rules.

For more information, see sections 295-200 and 305-80 of the *Income Tax Assessment Act 1997*.

Example: transfers from foreign funds

In 2023–24, SMSF F (a complying fund) received \$100,000 from a foreign super fund for one of its members, Mei.

Mei made a written choice to include \$10,000 of the transfer in the SMSF's assessable income.

SMSF F reports \$10,000 at label **F Transfers from foreign funds** and writes **1** (one) in the **Number** box.

SMSF F does not report the remaining \$90,000 at any item in **Section B: Income** since it is not assessable income for the SMSF (although Mei may need to report it as income on her individual tax return).

SMSF F will need to include the transfer for Mei in either section F or G.

H Gross payments where ABN not quoted

Did the SMSF receive payments from which the payer had withheld an amount because the SMSF had not provided its ABN?

- **No** – Leave label **H** blank. Go to label **I**.
- **Yes** – Read on.

Write at label **H** the gross value of all payments made to the SMSF where payers withheld an amount because the SMSF had not provided its ABN. The amount at label **H** should not be reduced by any loss or outgoing related to the income.

The amount that you write at label **H** must be the gross value, that is, it must include both the amounts paid to the SMSF and the amounts that payers withheld.

The payers must give you a PAYG payment summary (or equivalent information) with their payment or as soon as practical after they make the payment. The PAYG payment summary:

- includes the information that you need to complete at label **H**
- must be kept with your tax records.

For more information see [Record-keeping requirements](#).

You must also:

- include the corresponding credit for the tax withheld at Section **D**, item **13** –label **H3 Credit for tax withheld – where ABN or TFN not quoted (non-individual)**
- complete and attach a Non-individual PAYG payment summary schedule 2024.

If you include an amount at label **H** that is exempt current pension income, include it also at item **11** – label **Y Exempt current pension income**.

For more information, see:

- [PAYG withholding](#)

- Division 18 of Schedule 1 of the *Taxation Administration Act 1953*.

Example: PAYG withheld because ABN not quoted

In 2023–24, SMSF H received \$5,100 from a company. That company also gave SMSF H a PAYG payment summary which stated that the company had withheld \$4,900 tax from the payment.

SMSF H reports at:

- Section **B**, item **11** – label **H Gross payments where ABN not quoted** – \$10,000
- Section **D**, item **13** – label **H3 Credit for tax withheld – where ABN or TFN not quoted (non-individual)** – \$4,900.

I Gross distribution from partnerships

Did the SMSF receive any gross distributions from partnerships?

- **No** – Leave label **I** blank. Go to labels [J, K, L Dividends and franking credits](#).
- **Yes** – Read on.

Write at label **I** the total of all gross distributions from partnerships received in 2023–24. If the total amount is a loss, print **L** in the box to the right of the amount.

A distribution from a partnership can include different types of income. Include all types of income included in the distribution at label **I** except:

- capital gains (include these at item **11** – label **A Net capital gain**)
- foreign income, including New Zealand franking company dividends and supplementary dividends (include it at item **11** – label **D1 Gross foreign income**)
- part of a distribution on which [family trust distribution tax or trustee beneficiary non-disclosure tax](#) has been paid (don't include anywhere in **Section B: Income**)
- franking credits, if the SMSF is not entitled to a corresponding tax offset (don't include these anywhere in the SMSF annual return)

- the SMSF's share of net income from pooled superannuation trusts (PSTs)
- non-arm's length income of a complying SMSF (include it at item **11** – label **U3 Net other non-arm's length income**).

For example, if a distribution from a partnership includes interest, include this interest income at label **I** rather than at item **11** – label **C Gross interest**.

If the partnership distributions included franking credits attached to dividends and the SMSF is entitled to a corresponding franking credits tax offset (see **Entitlement to franking credits tax offset**), include the amount of the franking credit at label **I** and also at either Section D item **13** – label:

- **E1 Complying fund's franking credits tax offset** if the SMSF is a complying fund
- **C2 Rebates and tax offsets** if the SMSF is a non-complying fund.

If partnership distributions included amounts subject to foreign resident withholding in Australia, include the SMSF's share of credit for foreign resident withholding at label **I** and also at Section D, item **13** – label **H2 Credit for tax withheld – foreign resident withholding**.

If you include an amount at label **I** that is exempt current pension income, include it also at item **11** – label **Y Exempt current pension income**.

Keep a record of the following:

- full name of the partnership
- TFN of the partnership if known
- amount of income.

For more information, see **Record-keeping requirements**.

Example: distributions from partnerships

SMSF G had a 50% share in a partnership. In 2023–24, the partnership's income was:

- \$6,000 bank interest

- \$10,000 franked dividends
- \$5,000 franking credits.

SMSF G's share of this income was:

- \$3,000 bank interest
- \$5,000 franked dividends
- \$2,500 franking credits.

The total of SMSF G's share of the partnership income was \$10,500.

Assuming SMSF G is complying and the income is at arm's length, SMSF G reports at labels:

- **I Gross distributions from partnerships** – \$10,500
- **E1 Complying fund's franking credits tax offset** in section D – \$2,500.

J, K, L Dividends and franking credits

Was the SMSF paid dividends?

- **No** – Leave labels **J**, **K** and **L** blank. Go to label **M**.
- **Yes** – Read on.

Dividends and **non-share dividends** from Australian entities may carry **franking credits**. We call such dividends **franked dividends**. Franking credits reflect tax the company has paid.

Dividends and non-share dividends with no franking credits are called **unfranked dividends**.

An SMSF's assessable income includes:

- unfranked dividends (include these at label **J Unfranked dividend amount**)
- franked dividends (include these at label **K Franked dividend amount**)
- franking credits (include these at label **L Dividend franking credit** if the SMSF is entitled to a corresponding tax offset).

Include non-share dividends at labels **J**, **K** and **L** in the same way as dividends. For more information about non-share dividends see [Guide to the debt and equity tests](#).

If the SMSF was paid a dividend from a private company, you must establish whether the dividend is **non-arm's length income**. If the SMSF is a complying SMSF and it is non-arm's length income, include the dividend and franking credit at item **11** – label **U1 Net non-arm's length private company dividends** instead of at labels **J**, **K** or **L**.

Example: dividends and franking credits

In 2023–24, SMSF JKL owned shares in an Australian publicly listed company. The dividend statement shows that SMSF JKL received \$21,000 dividends and \$9,000 Australian franking credits. SMSF JKL is a complying SMSF.

SMSF JKL reports at labels:

- **J Unfranked dividend amount** – \$0
- **K Franked dividend amount** – \$21,000
- **L Dividend franking credit** – \$9,000
- **E1 Complying fund's franking credits tax offset** in section D – \$9,000.

J Unfranked dividend amount

Was the SMSF paid unfranked dividends, including unfranked non-share dividends?

- **No** – Leave label **J** blank. Go to label **K**.
- **Yes** – Read on.

Write at label **J** the total amount of unfranked dividends, and unfranked non-share dividends, that were paid to the SMSF. The amount at label **J** should not be reduced by any loss or outgoing related to the income.

If you include an amount at label **J** that is **exempt current pension income**, also include it at item **11** – label **Y Exempt current pension income**. Don't include unfranked dividends:

- that are a share of net income from a trust (include these at item **11** – label **M Gross trust distributions**)
- that are part of a distribution from a
 - partnership (include these at item **11** – label **I Gross distribution from partnerships**)
 - pooled development fund (don't include the distribution anywhere in the SMSF's assessable income as it is exempt income but take it into account when calculating Section C item **12** – label **M1 Tax losses deducted** in section C)
- from a New Zealand franking company (include these at item **11** – label **D1 Gross foreign income**)
- on which family trust distribution tax has been paid
- that are non-arm's length income of a complying SMSF (include these at item **11** – label **U1 Net non-arm's length private company dividends**).

K Franked dividend amount

Was the SMSF paid franked dividends, including franked non-share dividends?

- **No** – Leave label **K** blank. Go to label **L**.
- **Yes** – Read on.

Write at label **K** the total amount of franked dividends, and franked non-share dividends, that were paid to the SMSF. The amount at label **K** should not be reduced by any loss or outgoing related to the income.

If you include an amount at label **K** that is exempt current pension income, also include it at item **11** – label **Y Exempt current pension income**.

Don't include:

- franking credits (include these at item **11** – label **L Dividend franking credit**)
- franked dividends that are a share of net income from a trust (include these at item **11** – label **M Gross trust distributions**)

- franked dividends that are part of a distribution from a partnership (include these at item **11** – label **I Gross distribution from partnerships**)
- franked dividends that are part of a distribution from a pooled development fund (unless you have elected to include the franked dividends in the SMSF's assessable income)
- franked dividends from a New Zealand franking company (include these at item **11** – label **D1 Gross foreign income**)
- franked dividends on which family trust distribution tax has been paid
- franked dividends that are non-arm's length income of a complying SMSF (include these at item **11** – label **U1 Net non-arm's length private company dividends**).

L Dividend franking credit

Were franking credits attached to dividends paid to the SMSF for which it is entitled to a franking credits tax offset?

- **No** – Leave label **L** blank. Go to label **M**.
- **Yes** – Read on.

Write at label **L** the total amount of the franking credits:

- attached to franked dividends, and franked non-share dividends, paid to the SMSF in 2023–24, and
- for which the SMSF is entitled to a franking credits tax offset (see **Entitlement to franking credits tax offset**).

In addition to including a franking credit at label **L**, you must also include it at either Section D – label:

- **E1 Complying fund's franking credits tax offset** if the SMSF is a complying fund
- **C2 Rebates and tax offsets** if the SMSF is a non-complying fund.

If you include an amount at label **L** that is exempt current pension income, also include it at item **11** – label **Y Exempt current pension income**.

The amount at label **L** should not be reduced by any loss or outgoing related to the income.

Don't include:

- the dividend that the franking credit is attached to (include it at item **11** – label **K Franked dividend amount**)
- franking credits where the SMSF is not entitled to a franking credits tax offset (don't include these anywhere on the SMSF annual return)
- franking credits that are part of a share of net income from a trust (include these at item **11** – label **M Gross trust distributions**)
- franking credits that are part of a distribution from a partnership (include these at item **11** – label **I Gross distribution from partnerships**)
- Australian franking credits from a New Zealand franking company (include these at item **11** – label **E Australian franking credits from a New Zealand company**)
- franking credits that are part of a distribution from a pooled development fund (unless you have elected to include franked dividends and thus the franking credits in the SMSF's assessable income)
- franking credits on which family trust distribution tax has been paid
- franking credits attached to a dividend that is non-arm's length income of a complying SMSF (include these at item **11** – label **U1 Net non-arm's length private company dividends**).

M Gross trust distributions

Did the SMSF receive, or was the SMSF entitled to receive, a share of net income from other trusts?

- **No** – Leave label **M** blank. Go to labels [R1, R2, R3, R6, R Assessable contributions](#).
- **Yes** – Read on.

Write at label **M** the total share of net income that the SMSF received or was entitled to receive from other trusts. The amount at label **M** can't be a loss. Complete the [code box to the right of label M](#), according to [Table 3](#).

If you report a distribution from a trust at item **11** – label **M**, complete a Trust income schedule 2024 and attach it to the SMSF annual return.

A share of net income from a trust can include different types of income. Include at label **M** all types of income that are included in a share of net income from another trust except:

- capital gains (include these at item **11** – label **A Net capital gain**)
- foreign income, including New Zealand franking company dividends and supplementary dividends (include it at item **11** – label **D1 Gross foreign income**)
- a share of net income on which [family trust distribution tax or trustee beneficiary non-disclosure tax](#) has been paid (don't include anywhere in **Section B: Income**)
- franking credits if the SMSF is not entitled to a corresponding tax offset (don't include these anywhere in the SMSF annual return)
- non-arm's length income of a complying SMSF (include it at item **11** – label **U2 Net non-arm's length trust income**).

If the share of net income from trusts included franking credits attached to dividends and the SMSF is entitled to a corresponding franking credits tax offset (see **Entitlement to franking credits tax offset**), include the amount of the franking credit at label **M** and also at either Section D – label:

- **E1 Complying fund's franking credits tax offset** if the SMSF is a complying fund
- **C2 Rebates and tax offsets** if the SMSF is a non-complying fund.

If the share of net income from trusts included amounts subject to foreign resident withholding in Australia, include the SMSF's share of credit for foreign resident withholding at label **M** and also at Section **D**, item **13** – label **H2 Credit for tax withheld – foreign resident withholding**.

The share of net income at label **M** may include payments from a closely held trust, including the SMSF's share of credits if any amounts were withheld because a TFN was not provided. If amounts were withheld because a TFN was not provided then the SMSF's share of credits for the withheld amounts are included at Section **D**, item **13** – label **H5 Credit for TFN amounts withheld from payments from closely held trusts**.

If you include an amount at label **M** that is exempt current pension income, also include it at item **11** – label **Y Exempt current pension**

income.

A distribution from a trust is [non-arm's length income](#) if either:

- the SMSF does not have a fixed entitlement to income from that trust (for example, it is a discretionary trust)
- the SMSF has a fixed entitlement to income from the trust (generally unit trusts), which is derived under a scheme where the parties were not dealing with each other at arm's length and either or both of the following applies (see [subsection 295-550\(5\)](#) of the ITAA 1997)
 - the income is greater than might have been expected had the parties been dealing with each other at arm's length in relation to the scheme
 - the loss, outgoing or expenditure (either revenue or capital in nature) incurred in acquiring the entitlement, or in gaining or producing that income, is less than (including a nil amount) what might have been expected had the parties been dealing with each other at arm's length in relation to the scheme.

Keep a record of the:

- full name of the trust
- TFN of the trust
- amount paid by the trust to the SMSF.

For more information about record keeping, see [Record-keeping requirements](#).

Code

You must print a letter from **table 3** in the code box to the right of label **M Gross trust distributions** if you write an amount at label **M**.

Print the letter from **table 3** that best describes the type of trust from which you received the income you wrote at label **M**. If this income is from more than one type of trust, print the letter that describes the type of trust from which you received the greatest amount of income.

If you cannot identify the type of trust from which the SMSF received a share of net income, contact the trustee of that trust.

Table 3: Trust type codes

Code letter	Type of trust
D	Deceased estate
E	Testamentary trust A trust that resulted from a will, codicil, court order, or intestacy.
F	Fixed trust (other than the fixed unit trusts and public unit trusts described at codes U , P and Q) A fixed trust is a trust in which persons have fixed entitlements to all of the income and capital of the trust at all times during the income year. The 'fixed entitlement' test operates in the manner described in Taxation Ruling TR 2006/7.
H	Hybrid trust A hybrid trust is a trust which is not a fixed trust but in which persons have fixed entitlements to income or capital of the trust during the income year. The 'fixed entitlement' test operates in the manner described in Taxation Ruling TR 2006/7.
S	Discretionary trust – where the main source of income of the trust is from service and management activities A discretionary trust is a trust: <ul style="list-style-type: none"> • which is neither a fixed trust nor a hybrid trust, and • under which a person or persons benefit from income or capital of the trust upon the exercise of a discretion by a person or persons, usually the trustee.
T	Discretionary trust – where the main source of income of the trust is from trading activities

I	Discretionary trust – where the main source of income of the trust is from investment activities
M	Cash management unit trust A cash management unit trust is a unit trust which: <ul style="list-style-type: none"> • pools the funds of separate unit holders, and • primarily invests in a range of short term securities.
U	Fixed unit trust (including a Corporate Collective Investment Vehicle (CCIV) sub-fund trust; other than a public trust described in codes P or Q) A fixed unit trust is a fixed trust in which interest in the income and capital of the trust are represented by units.
P	Public unit trust – listed (other than a cash management unit trust) A public unit trust is a fixed unit trust which is a widely held unit trust (as defined in section 272-105 of Schedule 2F to the <i>Income Tax Assessment Act 1936</i>) at all times during the income year.
Q	Public unit trust – unlisted (other than a cash management unit trust) A public unit trust in which none of its units were listed for quotation in the official list of a stock exchange in Australia or elsewhere during the income year.

Example: trust distributions

SMSF M received a share of net income from a publicly listed unit trust in 2023–24 which included:

- \$700 franked dividends

- \$300 franking credits.

SMSF M reports at labels:

- **M Gross trust distributions** – \$1,000
- **M Gross trust distributions** in the **code** box – **P** (Public unit trust)
- **E1 Complying fund's franking credits tax offset** in section D – \$300.

R1, R2, R3, R6, R Assessable contributions

Did the SMSF have assessable contributions?

- No – Leave labels **R1**, **R2** and **R6** blank. Answer labels **R3** and **R**.
- Yes – Read on.

Include at labels **R1**, **R2**, **R3** and **R6** all contributions to the SMSF that are assessable income.

The following types of contributions are not part of the SMSF's assessable income, don't include them at labels **R1**, **R2**, **R3** or **R6**:

- contributions made by a member that are not assessable personal contributions
- super co-contributions and government super contributions
- contributions for a person under 18 which are not made by, or on behalf of, the person's employer
- amounts transferred to the SMSF for a member from the member's spouse's super as a result of a contributions splitting arrangement (for more information, see **Contributions splitting**)
- amounts transferred to the SMSF from another super fund because of a family law obligation (such as a super agreement or a Family Law Court order as a result of a marriage or relationship breakdown)
- spouse contributions for which the contributor can't claim a deduction
- contributions where a member has elected to treat the contribution as a re-contribution of a COVID-19 early release amount.

For more information, see **Subdivision 295-C** of the *Income Tax Assessment Act 1997*.

Contributions caps

Caps apply to contributions made to a member's super account. Members that contribute more than these caps may have to pay extra tax. For more information on the contributions caps, see **Cap limits and tax on super contributions**.

Example: assessable contributions

In 2023–24, SMSF R received:

- \$20,000 contributions from members' employers (for members whose TFN the SMSF holds)
- \$10,000 contributions directly from members.

One member also provided a valid *Notice of intent to claim a deduction for personal super contributions* stating that the member would claim a deduction for a \$3,000 contribution they made to SMSF R. The notice was received before SMSF R lodged its annual return and SMSF R acknowledged the notice.

SMSF R reports labels:

- **R1 Assessable employer contributions** – \$20,000
- **R2 Assessable personal contributions** – \$3,000
- **R Assessable contributions** – \$23,000.

The remaining \$7,000 of personal contributions that were not covered by the *Notice of intent to claim a deduction for personal super contributions* are not reported at any item in Section **B**. They are not assessable income of SMSF R.

SMSF R does not report any contributions at labels:

- **R3 No-TFN-quoted contributions** since all members have provided their TFNs to it
- **R6 Transfer of liability to life insurance company or PST** since it has not made an agreement to transfer its tax liability to a life insurance company or pooled superannuation trust.

Contributions are reported in section F or G for each member.

R1 Assessable employer contributions

Did the SMSF receive assessable employer contributions?

- No – Leave label **R1** blank. Go to label **R2**.
- Yes – Read on.

Write at label **R1** the total of all assessable contributions received by the SMSF for members where the contribution was made by someone other than the member. The amount at label **R1** should not be reduced by any loss or outgoing related to the income.

Assessable employer contributions received in 2023–24 must be included at label **R1** even if they were not allocated to the member's account until the following financial year.

The amount at label **R1** includes:

- contributions paid by an employer (including amounts contributed under effective salary sacrifice arrangements) to
 - a complying SMSF
 - a non-complying SMSF that is an **Australian super fund**
 - an SMSF that is not an Australian super fund where the contributions relate to a period when the member was an Australian resident, or was a foreign resident deriving employment or similar income, such as salary or wage income, that is subject to Australian withholding payment rules
- shortfall amounts paid by us to a complying SMSF under the provisions of the *Superannuation Guarantee (Administration) Act 1992*
- amounts transferred by us from the Superannuation Holding Account special account to a complying SMSF under the provisions of the *Small Superannuation Accounts Act 1995*, other than amounts which represent super co-contributions or low income super amounts
- most amounts contributed for a member by other third parties (the total of any amounts written in sections F and G at label **G Other third party contributions**).

Don't include contributions received for a member who has not quoted their TFN and that you are required to include at label **R3 No-TFN-quoted contributions**.

Assessable contributions from employers or other third parties are not exempt from income tax under the exempt current pension income rules.

R2 Assessable personal contributions

Did the SMSF receive assessable personal contributions?

- **No** – Leave label **R2** blank. Go to label **R3**.
- **Yes** – Read on.

Write at label **R2** the total of:

- assessable personal contributions
- any untaxed element of a rollover super benefit, up to the untaxed plan cap amount (\$1.650 million in 2023–24).

The amount of a rollover super benefit with an untaxed element is included in the income year in which it is received by the SMSF.

The amount at label **R2** should not be reduced by any loss or outgoing related to the income.

Assessable personal contributions received in 2023–24 must be included at label **R2** even if they were not allocated to the member's account until the following financial year.

Personal contributions are assessable only if the member has provided a valid notice stating their intent to claim a deduction for their contributions and the SMSF trustee has acknowledged receipt of the notice. The contribution is included in the income year in which it is received if the SMSF trustee receives the notice by the time the SMSF lodges its annual return for that income year. Otherwise, the contribution is included in the income year in which the notice is received. For information about deductions for a personal super contribution, see **Notice of intent to claim or vary a deduction for personal super contributions**.

If the SMSF receives a notice varying the amount of a previous valid *Notice of intent to claim a deduction for personal super contributions* and:

- you have not yet lodged the annual return that includes the contribution as assessable income, write at label **R2** the reduced amount of the personal contribution, or
- you have already lodged an annual return that included the contribution as assessable income then you can either
 - amend the annual return for the income year that included the contribution as assessable income, or
 - deduct an amount at Section **C**, item **12** – label **L1 Other amounts**, in the income year the SMSF received the notice varying the amount.

Assessable personal contributions are not exempt from income tax under the **exempt current pension income** rules.

For more information, see **Notice of intent to claim or vary a deduction for personal super contributions**.

R3 No-TFN-quoted contributions

Did the SMSF receive employer contributions for a member that has not provided their TFN to the SMSF?

- No – Write **0** (zero) at label **R3**. Go to label **R6**.
- Yes – Read on.

Write at label **R3** the total of all assessable contributions that the SMSF received in 2023–24 for all members who had not quoted their tax file number (TFN) and where either:

- a member's account was opened on or after 1 July 2007
- a member's total assessable contributions for 2023–24 were more than \$1,000.

The amount at label **R3** should not be reduced by any loss or outgoing related to the income.

Don't include employer contributions at label **R3** if both:

- the member's account was opened before 1 July 2007
- the member's total assessable contributions for 2023–24 are \$1,000 or less (include these employer contributions at label **R1 Employer contributions**).

Label **R3** is mandatory. If you leave label **R3** blank, you will have specified a zero amount.

Tax on no-TFN-quoted contributions

The SMSF has to pay additional tax on no-TFN-quoted contributions. This additional tax must be paid regardless of any tax offsets or amounts the SMSF may have transferred to a life insurance company or PST. For the tax rates, see **table 4**.

Table 4: Tax rates on no-TFN-quoted contributions

SMSF status	Tax rate (on all assessable contributions)	Additional tax rate (on no-TFN-quoted contributions)	Overall tax rate (on no-TFN-quoted contributions)
Complying	15%	32%	47%
Non-complying	45%	2%	47%

The SMSF will show in **Section D: Income tax calculation statement**:

- the tax payable (at the standard rate of income tax) on the no-TFN-quoted contributions at label **T1 Tax on taxable income**
- the additional tax payable on the no-TFN-quoted contributions at label **J Tax on no-TFN-quoted contributions**.

No-TFN-quoted contributions are not exempted from income tax under the exempt current pension income rules.

If a member provided their TFN to the SMSF for the first time in 2023–24, the SMSF may be able to recover the no-TFN-quoted contributions tax it paid in one of the most recent 3 income years ending before 2023–24 by claiming a no-TFN tax offset. For information on whether the SMSF is able to claim this offset, see **Section D**, item **E2 No-TFN tax offset**.

For more information, see **Section 295–610** of the *Income Tax Assessment Act 1997*.

R6 Transfer of liability to life insurance company or PST

Did the SMSF transfer an amount to a life insurance company or pooled superannuation trust (PST) under an agreement that meets the requirements of section 295-260 of the *Income Tax Assessment Act 1997*?

- **No** – Leave label **R6** blank. Go to label **R**.
- **Yes** – Read on.

Write at label **R6** the total amount that would otherwise have been included in the complying SMSF's assessable income for 2023–24 that the trustee of the SMSF (the transferor) has agreed to transfer to a life insurance company or PST (the transferee) under an agreement with that transferee entity. The amount at label **R6** should not be reduced by any loss or outgoing related to the income.

The SMSF will not pay tax (at the rate of 15%) on the amount transferred to the life insurance company or PST. The amount of the income transferred is included in the transferee's assessable income instead. However, if a contribution is a no-TFN-quoted contribution, the SMSF must still pay tax on the no-TFN-quoted contribution (at the rate of 32%); the SMSF can't transfer the tax liability on the no-TFN-quoted contribution income.

Keep all relevant documents as evidence of the transferee's consent to accept the transfer of assessable contributions and the associated tax liability.

For more information, see **Section 295-260** of the *Income Tax Assessment Act 1997*.

R Assessable contributions

Did you write amounts at R1, R2, R3 or R6?

- **No** – Leave label **R** blank. Go to label **S**.
- **Yes** – Read on.

Write at label **R** the total assessable contributions received by the SMSF. That total should not be reduced by any loss or outgoing related to the income.

To work out the amount you write at label **R**:

- add the amounts you wrote, at labels
 - **R1 Assessable employer contributions**
 - **R2 Assessable personal contributions**
 - **R3 No-TFN-quoted contributions**
- subtract from that amount (**R1 + R2 + R3**), the amount at label
 - **R6 Transfer of liability to life insurance company or PST.**

Assessable contributions are not exempt from income tax under the exempt current pension income rules.

S Other income

Did the SMSF receive any income that is not included at another item in Section **B**?

- **No** – Leave label **S** blank. Go to label **T**.
- **Yes** – Read on.

Write at label **S** any assessable income of the SMSF that does not fall into any other category in Section **B**. The amount at label **S** should not be reduced by any loss or outgoing related to the income.

Write in the **code** box the letter from [Table 5](#) that best describes the greatest amount you include at label **S Other income**.

If you include an amount at label **S** that is exempt current pension income, include it also at label **Y Exempt current pension income**.

Table 5: Codes for other income

Code letter	Type of income
B	Assessable balancing adjustment amount
C	Listed investment company capital gain amount
F	Forex gains

R	Rebate or refund of premium paid to provide death or disability benefits
T	Taxation of financial arrangements (TOFA) amounts
W	Gross payments subject to foreign resident withholding (excluding capital gains)
O	Other types of income not listed above

Assessable balancing adjustment amount (code B)

If the SMSF ceased to hold or to use a depreciating asset, you need to calculate a balancing adjustment amount which you include at either:

- label **S Other income** (this question) if the balancing adjustment is assessable income
- section **C**, item **12** – label **L1 Other amounts** (deductions) or label **L2 Other amounts** (non-deductible expenses).

For more information, see [Guide to depreciating assets 2024](#).

Listed investment company (LIC) capital gain amount (code C)

If the SMSF received a distribution from a partnership, or a share of net income from a trust and if that partnership or trust claimed a deduction for a LIC capital gain amount, you must include at label **S**:

- one-third of its share of the deduction claimed by the partnership or trust, if the SMSF is a complying fund
- its entire share of the deduction claimed by the partnership or trust, if the SMSF is a non-complying fund.

Foreign exchange (forex) gain (code F)

If the SMSF has any assessable foreign exchange gains that have not been shown at any other category of income, include the total of such gains at label **S**.

For more information, see [Foreign exchange gains and losses](#).

Rebate or refund of premium paid to provide death or disability benefits (code R)

The SMSF, if it is a complying SMSF, has this type of income if it received a rebate on, or refund of, an insurance premium during 2023–24 where the original insurance premium:

- was to provide super benefits in the event of
 - death
 - a terminal medical condition
 - disability or temporary inability to engage in gainful employment, and
- had been claimed as a deduction (at section **C**, item **12** – label **F1 Insurance premiums members**) in a previous SMSF annual return.

You must include the amount of such income at label **S**.

For more information, see item 4 of the table in **Section 295–320** and **Section 295–465** of the *Income Tax Assessment Act 1997*.

Taxation of financial arrangements (TOFA) amounts (code T)

If the TOFA rules apply to calculate an assessable gain or deductible loss on the SMSF's financial arrangements, include at label **S** any assessable gains relating to financial arrangements. TOFA amounts that have been included elsewhere should not be included here.

Complete **Section I: Taxation of financial arrangements** if you include at label **S** an amount determined under the TOFA rules.

For more information about whether the TOFA rules apply, see **Section I: Taxation of financial arrangements**.

Gross payments subject to foreign resident withholding (excluding capital gains) (code W)

Gross payments subject to foreign resident withholding (excluding capital gains) refers to payments made to the SMSF where the payer withheld an amount from the payment because the SMSF is a foreign fund.

Only an SMSF that is a foreign fund should have a gross payment subject to foreign resident withholding in Australia.

The amount that you write at label **S** must be the gross value. That means that the amount you write must include both the amount:

- paid to the SMSF
- that payers withheld from these payments.

These payers must provide you with a PAYG payment summary by 14 July following the end of the financial year. The PAYG payment summary has the information that you need to include at label **S**.

If you write an amount at label **S** for gross payments subject to foreign resident withholding in Australia, you must also complete and attach a **Non-individual PAYG payment summary schedule**. Keep the PAYG payment summary (or equivalent information) with your tax records.

The amount you write at label **S** for gross payments subject to foreign resident withholding in Australia does not include:

- payments received by an Australian SMSF that was subject to foreign resident withholding in another country (include these at item **11** – label **D1 Gross foreign income**)
- payments subject to foreign resident withholding in Australia that were distributed to the SMSF from partnerships or included in a share of net income from trusts (include these at item **11** – label **I Gross distribution from partnerships** or item **11** – label **M Gross trust distributions** as appropriate)
- payments where the amount of foreign resident withholding in Australia was reduced to nil because the income was not taxable under a double tax agreement.

If you include a gross payment subject to foreign resident withholding in Australia at label **S**, you can also claim a credit for tax withheld at Section **D**, item **13** – label **H2 Credit for tax withheld – foreign resident withholding**.

For more information, see Division 18 of Schedule 1 of the *Taxation Administration Act 1953*.

Other types of income not listed above (code O)

If the greatest amount that you include at label **S Other income** is not one of the types of income listed above for codes **B**, **C**, **F**, **R**, **T** or **W**,

then use code **O** for 'other'.

T Assessable income due to changed tax status of fund

Did the SMSF change from a complying to non-complying fund, or from a foreign fund to an Australian super fund?

- **No** – Leave label **T** blank. Go to labels **U1**, **U2**, **U3** and **U**.
- **Yes** – Read on.

Write at label **T** the amount that is to be included in the SMSF's assessable income because it changed from either:

- complying to non-complying at the beginning of 2023–24
- a foreign fund to an Australian super fund at the beginning of 2023–24.

The amount at label **T** should not be reduced by any loss or outgoing related to the income.

You must:

- work out the amount of ordinary income and statutory income from previous years using the appropriate formula below
- write the amount you worked out at label **T**.

A change in the SMSF's compliance or residency status can change its tax rate (see the tax rates at Section **D**, item **13** – label **T1 Tax on taxable income**).

Assessable income arising from a change in the tax status of the SMSF is not exempt from income tax under the **exempt current pension income** rules.

The SMSF became a non-complying SMSF for 2023–24

If the SMSF was a complying SMSF at the end of 2022–23 and became a non-complying SMSF for 2023–24, include at label **T** an amount calculated using **formula A**. Including this amount at label **T** means that the SMSF loses the benefit of the tax concessions that it had when it was a complying SMSF.

Formula A

Asset value – non-concessional contributions = assessable amount to be included at label **T**

Asset value is the total market value of the SMSF's assets at 30 June 2023 (that is, immediately before the start of the income year in which the SMSF became non-complying).

Non-concessional contributions are the total of:

- the part of the crystallised undeducted contributions that relate to the period after 30 June 1983, and
- the contributions segment for current members at the time that have not been, and can't be, deducted.

Write at label **T** the amount you calculated using **formula A**.

When you work out Section **D**, item **13** –label **T1 Tax on taxable income** in, the amount you worked out using **formula A** is taxed at 45%.

Legislation

Sections 295-320 and 295-325 of the *Income Tax Assessment Act 1997*

The SMSF changed from a foreign fund to an Australian super fund for 2023–24

If the SMSF was a foreign super fund for 2022–23 and became an Australian super fund for 2023–24, include at label **T** an amount calculated using **formula B**.

Formula B

Asset value – member contributions = assessable amount to be included at label **T**

Asset value is the total market value of the SMSF's assets at 30 June 2022 (that is, immediately before the start of the income year in which the SMSF became an Australian super fund).

Member contributions is the amount in the SMSF at that time representing contributions made by current members.

Write at label **T** the amount you worked out using **formula B**.

When you calculate Section **D**, item **13** – label **T1 Tax on taxable income** the amount you worked out using **formula B** is taxed at:

- 15% if the fund changed from a foreign fund to a complying Australian super fund
- 45% if the fund changed from a foreign fund to a non-complying Australian super fund.

Note that the SMSF is not entitled to a tax offset (at Section **D**, item **13** – label **C1 Foreign income tax offset**) for foreign income tax paid before the start of the income year on income reported at label **T** as a result of the change in the tax status of the SMSF.

For more information. see Sections 295-320 and 295-330 of the *Income Tax Assessment Act 1997*.

Example: assessable income due to changed tax status of the fund

In 2023–24, SMSF T changed from being a complying SMSF to a non-complying SMSF.

On 30 June 2023 SMSF T had assets of \$1,000,000, including \$50,000 non-concessional contributions. The non-concessional contributions were personal contributions that the SMSF's members had made without notifying the SMSF that they intended to claim a deduction.

Using **Formula A**, SMSF T works out:

$$\text{\$1,000,000 (asset value) - \$50,000 (non-concessional contributions) = \$950,000 (assessable amount)}$$

SMSF T reports \$950,000 at label **T Assessable income due to changed tax status of the fund**.

U1, U2, U3 and U Non-arm's length income

Amendments to the rules for non-arm's length expenditure (NALE) for superannuation entities are proposed in the [Treasury Laws Amendment \(Support for Small Business and Charities and Other Measures\) Bill 2023](#) [↗](#) (See, What's new for funds?). **This measure is not yet law.** These instructions have not been updated to reflect the proposed law changes. If you lodge your 2024 return before the law is

enacted and are impacted by the law changes, you will need to amend your 2024 return. The proposed law changes are retrospective so you may also need to amend your prior year returns.

Did the SMSF receive non-arm's length income?

- **No** – Leave labels **U1**, **U2**, **U3** and **U** blank. Go to label **W**.
- **Yes** – Read on.

Was the SMSF a complying SMSF for 2023–24?

- **No** – Leave labels **U1**, **U2**, **U3** and **U** blank. Go to label **W**.

Write the non-complying SMSF's non-arm's length income where appropriate at labels **A** to **T**.

Then go to label **W**.

- **Yes** – Read on.

Consider whether any income that the SMSF earned in 2023–24 was earned through a transaction that was not at arm's length.

For more information about identifying the SMSF's non-arm's length income, see [Non-arm's length income](#).

Non-arm's length income is not exempt from income tax under the exempt current pension income rules.

Net non-arm's length income

Each amount of non-arm's length income is reduced by any deductions attributable, either in whole or in part, to that income.

Deductions against that income are those that relate exclusively to the non-arm's length income and as much of other deductions that appropriately relate to that income. Use these deductions to reduce the amount that you write at labels **U1**, **U2** or **U3**.

The amounts deducted against the SMSF's non-arm's length income should not be included in Section C. Non-arm's length losses

If the net amount of non-arm's length income is a loss, don't show the loss at label **U**. The loss may be offset against future non-arm's length

income. Keep a record of the loss amount with the SMSF's tax records.

U1 Net non-arm's length private company dividends

Was the SMSF paid non-arm's length private company dividends?

- **No** – Leave label **U1** blank. Go to label **U2**.
- **Yes** – Read on.

Write at label **U1** the total of:

- non-arm's length private company dividends which were paid to the complying SMSF in 2023–24
- franking credits attached to the non-arm's length private company dividends if the SMSF is entitled to a corresponding franking credits tax offset (see **Entitlement to franking credits tax offset**)
- subtract deductible expenses related to earning the non-arm's length private company dividends.

If you are unsure whether some or all of the SMSF's income is non-arm's length, see [Non-arm's length income](#).

Include non-share dividends that are non-arm's length income at label **U1**.

Don't include private company dividends that are arm's length income (include these at Section **B**, item **11** – labels **A** to **T** as appropriate).

In addition to including a franking credit at label **U1**, you must also include it at either Section **D**, item **13** – labels:

- **E1 Complying fund's franking credits tax offset** if the SMSF is a complying fund
- **C2 Rebates and tax offsets** if the SMSF is a non-complying fund.

Non-arm's length private company dividends are not exempt from income tax under the exempt current pension income rules.

U2 Net non-arm's length trust distributions

Did the SMSF receive a share of net income from a trust that is non-arm's length?

- **No** – Leave label **U2** blank. Go to label **U3**.
- **Yes** – Read on.

Write at label **U2** the total of:

- any non-arm's length income which the complying SMSF received in 2023–24 as a share of net income from a trust
- subtract deductible expenses related to earning the amount at label **U2**.

If you are unsure whether a share of net income from a trust is non-arm's length, see [Non-arm's length income](#).

Include the following types of income at label **U2** if the income is non-arm's length income and received as a share of net income from a trust:

- net capital gains
- dividends (or non-share dividends), along with any attached franking credits if the SMSF is entitled to a corresponding tax offset (see **Entitlement to franking credits tax offset**).

In addition to including a franking credit at label **U2**, you must also include it at either Section **D**, item **13** – labels:

- **E1 Complying fund's franking credits tax offset** if the SMSF is a complying fund
- **C2 Rebates and tax offsets** if the SMSF is a non-complying fund.

Don't include a share of net income from a trust that is arm's length income (include this at Section **B**, item **11** – label **M Gross trust distributions**).

A share of net income from a trust that is non-arm's length is not exempt from income tax under the **exempt current pension income** rules.

If you report a trust distribution that is non-arm's length at item **11** – label **U2**, complete a **Trust income schedule 2024** and attach it to the SMSF annual return.

U3 Net other non-arm's length income

Does the SMSF have any other non-arm's length income?

- **No** – Leave label **U3** blank. Go to label **U**.
- **Yes** – Read on.

Write at label **U3** any non-arm's length income which the complying SMSF has for 2023–24 and that was not included at labels **U1** or **U2**. If you are unsure whether the income is non-arm's length, see [Non-arm's length income](#).

Don't include:

- non-arm's length income that is more appropriately included at labels **U1 Net non-arm's length private company dividends** or **U2 Net non-arm's length trust distributions**
- income that is arm's length income (write it at Section **D**, item **13** – labels **A** to **T** as appropriate).

Non-arm's length income is not exempt from income tax under the exempt current pension income rules.

U Net non-arm's length income

Amendments to the rules for non-arm's length expenditure (NALE) for superannuation entities are proposed in the [Treasury Laws Amendment \(Support for Small Business and Charities and Other Measures\) Bill 2023](#) [↗](#) (See, What's new for funds?). **This measure is not yet law.** These instructions have not been updated to reflect the proposed law changes. If you lodge your 2024 return before the law is enacted and are impacted by the law changes, you will need to amend your 2024 return. The proposed law changes are retrospective so you may also need to amend your prior year returns.

Add the amounts you wrote at labels **U1**, **U2** and **U3**.

When you work out Section **D**, item **13** – label **T1 Tax on taxable income**, a tax rate of 45% is applied to the income you write at label **U**.

W Gross income

Add the amounts from Section **B**, item **11** – labels **A** to **U**, including **D** and **R**.

Don't include the following label amounts because they make up the amounts at labels **D**, **R** and **U**:

- **D1 Gross foreign income**
- **R1 Assessable employer contributions**
- **R2 Assessable personal contributions**

- **R3 No-TFN-quoted contributions**
- **R6 Transfer of liability to life insurance company or PST**
- **U1 Net non-arm's length private company dividends**
- **U2 Net non-arm's length trust distributions**
- **U3 Net other non-arm's length income.**

Write the total at label **W**. If the SMSF has no gross income, write **0** (zero) at label **W**. If the amount at label **W** is a loss, print **L** in the **Loss** box at the right of the amount.

Y Exempt current pension income

Did the SMSF pay retirement phase super income stream benefits to a member in 2023–24?

- **No** – Leave label **Y** blank. Go to label **V**.
- **Yes** – Read on.

If the SMSF paid retirement phase super income stream benefits to one or more members during 2023–24, some, or all, of its ordinary income and statutory income may be exempt from income tax under the exempt current pension income rules. This exempt income is called 'exempt current pension income' or ECPI.

Don't reduce the exempt income at label **Y** by the amount of expenses incurred in deriving that exempt income.

Expenses incurred in gaining or producing exempt income are not generally deductible. Those expenses must be shown as non-deductible expenses in Section C.

The amount that you write at label **Y** must be the same as the amount at Section **A**, item **10** – label **A Exempt current pension income amount**.

To work out your SMSF's ECPI, see How expenses are treated when an SMSF has ECPI.

For more information, see Subdivision 295-F of the *Income Tax Assessment Act 1997*.

If your SMSF has PAYG instalments

If you use the instalment rate method to calculate your SMSF's PAYG instalments, you must exclude the SMSF's exempt current pension income from the amount you write at label **T1 PAYG instalment income** on the PAYG activity statement. See [PAYG instalments](#).

V Total assessable income

Work out the SMSF's total assessable income or loss for 2023–24: subtract **Y Exempt current pension income** from **W Gross income**.

Write the answer at label **V**. If the SMSF has no total assessable income, write **0** (zero) at label **V**. If the amount at label **V** is a loss, print **L** in the **Loss** box at the right of the amount.

Continue to: [Section C: Deductions and non-deductible expenses – item 12](#)

Return to: [Instructions to complete your SMSF annual return 2024](#)

QC 101714

Section C: Deductions and non-deductible expenses – item 12

You must complete Section C for the SMSF. Report all the SMSF's expenses, both deductible and non-deductible.

Published 30 May 2024

What to include at Section C

Provide details of all expenses the SMSF incurred in 2023–24 at the appropriate questions.

Don't show cents for any amount you write in this section.

In the column headed **Deductions**, at the appropriate labels **A1** to **M1**, list all expenses and allowances for which the SMSF can claim a deduction. For more information, see [SMSF deductibility of expenses](#).

In the column headed **Non-deductible expenses**, at the appropriate labels **A2** to **L2**) list all other expenses. The SMSF can't claim a deduction for these expenses. They include:

- income tax paid (include it at label **L2**)
- most expenses incurred in earning exempt current pension income
- losses or outgoings that the SMSF incurred in deriving an amount that is excluded from assessable income because family trust distribution tax (FTDT) has been paid.

Don't include super benefits paid at any question in Section **C**.

Generally, SMSFs that derive **exempt current pension income** can't claim a deduction for expenses to the extent they are incurred in deriving that exempt income. Such expenditure must be apportioned.

However, some expenditure is deductible and does not have to be apportioned even though the SMSF has exempt current pension income.

For more information, see:

- How expenses are treated when an SMSF has ECPI
- Taxation Ruling TR 2006/7 *Income tax: special income derived by a complying superannuation fund, a complying approved deposit fund or a pooled superannuation trust in relation to the year of income.*

Expenses that relate to non-arm's length income

Amendments to the rules for non-arm's length expenditure (NALE) for superannuation entities are proposed in the [Treasury Laws Amendment \(Support for Small Business and Charities and Other Measures\) Bill 2023](#) [↗](#) (See, What's new for funds?). **This measure is not yet law.** These instructions have not been updated to reflect the proposed law changes. If you lodge your 2024 return before the law is enacted and are impacted by the law changes, you will need to amend your 2024 return. The proposed law changes are retrospective so you may also need to amend your prior year returns.

Expenses incurred in deriving non-arm's length income:

- are not included anywhere in Section **C** to the extent the non-arm's length expenses are deductible; such expenses reduce the amount you write at the non-arm's length income labels **U1**, **U2** and **U3** in Section **B**
- are included in Section **C** labels (labels **A2** to **L2** as appropriate) to the extent the expenses are non-deductible.

For more information, see:

- Taxation Ruling TR 2006/7 *Income tax: special income derived by a complying superannuation fund, a complying approved deposit fund or a pooled superannuation trust in relation to the year of income*
- Law Companion Ruling LCR 2021/2 *Non-arm's length income – expenditure incurred under a non-arm's length arrangement.*

Expenses that relate to foreign income

Expenses incurred in deriving foreign income:

- are not included anywhere in Section **C** to the extent the expenses are deductible; such expenses reduce the amount you write at Section **B**, item **11** – label **D Net foreign income**
- are included in Section **C** (labels **A2** to **L2** as appropriate) to the extent the expenses are non-deductible.

Taxation of financial arrangements (TOFA)

If the TOFA rules apply to the SMSF, include expenses from financial arrangements subject to the TOFA rules at the appropriate question. Complete **Section I Taxation of financial arrangements** if you include an amount determined under the TOFA rules.

For more information, see **Section I: Taxation of financial arrangements**.

12 Deductions and non-deductible expenses

In this section, complete labels:

- [A1 and A2 Interest expenses within Australia](#)

- [A1 Deductible interest expenses within Australia](#)
- [A2 Non-deductible interest expenses within Australia](#)
- [B1 and B2 Interest expenses overseas](#)
- [B1 Deductible interest expenses overseas](#)
- [B2 Non-deductible interest expenses overseas](#)
- [D1 and D2 Capital works expenditure](#)
- [D1 Deductible capital works expenditure](#)
- [D2 Non-deductible capital works expenditure](#)
- [E1 and E2 Decline in value of depreciating assets](#)
- [E1 Deductible decline in value of depreciating assets](#)
- [E2 Non-deductible decline in value of depreciating assets](#)
- [F1 and F2 Insurance premiums – members](#)
- [F1 Deductible insurance premiums – members](#)
- [F2 Non-deductible insurance premiums – members](#)
- [H1 Deductible SMSF auditor fee](#)
- [H2 Non-deductible SMSF auditor fee](#)
- [I1 and I2 Investment expenses](#)
- [I1 Deductible investment expenses](#)
- [I2 Non-deductible investment expenses](#)
- [J1 and J2 Management and administration expenses](#)
- [J1 Deductible management and administration expenses](#)
- [J2 Non-deductible management and administration expenses](#)
- [U1 and U2 Forestry managed investment scheme expense](#)
- [U1 Deductible forestry managed investment scheme expenses](#)
- [U2 Non-deductible forestry managed investment scheme expenses](#)
- [L1 and L2 Other amounts](#)

- [L1 Deductible other amounts](#)
- [L2 Non-deductible other amounts](#)
- [M1 Tax losses deducted](#)
- [N Total deductions](#)
- [Y Total non-deductible expenses](#)
- [O Taxable income or loss](#)
- [Z Total SMSF expenses](#)

A1 and A2 Interest expenses within Australia

Did the SMSF incur interest expenses on money borrowed from an Australian source?

- **No** – Leave labels **A1** and **A2** blank. Go to labels **B1** and **B2**.
- **Yes** – Read on.

Write at labels **A1** and **A2** the amount of interest that the SMSF incurred in 2023–24 on money borrowed from an Australian source.

A1 Deductible interest expenses within Australia

Write at label **A1** the amount of deductible interest expenses incurred on borrowings from sources within Australia.

For example, interest expenses incurred on borrowings are deductible to the extent the borrowed money is used to either:

- acquire assets for the purpose of earning assessable income
- finance operations for the purpose of earning assessable income
- meet current expenses incurred for the purpose of earning assessable income.

Don't include at label **A1** interest expenses (or any part of such expenses) that relate to earning:

- foreign income (see [Expenses that relate to foreign income](#))
- non-arm's length income (see [Expenses that relate to non-arm's length income](#)).

If the SMSF paid retirement phase income stream benefits to a member, refer to **Exempt current pension income** before you claim a deduction for the SMSF's interest expenses incurred on borrowings from Australian sources.

A2 Non-deductible interest expenses within Australia

Write at label **A2** the amount of interest expenses that the SMSF incurred on borrowings from Australian sources that is not deductible. This includes an amount of interest expense to the extent it is incurred for the purposes of earning exempt income.

B1 and B2 Interest expenses overseas

Did the SMSF incur interest expenses on money borrowed from an overseas source?

- **No** – Leave labels **B1** and **B2** blank. Go to labels **D1** and **D2**.
- **Yes** – Read on.

Write at labels **B1** and **B2** the amount of interest that the SMSF incurred in 2023–24 on money borrowed from an overseas source.

B1 Deductible interest expenses overseas

Write at label **B1** the amount of deductible interest expenses incurred on borrowings from overseas sources.

For example, interest expenses incurred on borrowings from overseas sources are deductible to the extent the borrowed money is used to either:

- acquire assets for the purpose of earning assessable income
- finance operations for the purposes of earning assessable income
- meet current expenses incurred for the purposes of earning assessable income.

Don't include at label **B1** interest expenses (or any part of such expenses) that relate to earning:

- foreign income (see [Expenses that relate to foreign income](#))
- non-arm's length income (see [Expenses that relate to non-arm's length income](#)).

If the SMSF paid retirement phase income stream benefits to a member, refer to **How expenses are treated when an SMSF has ECPI** before you claim a deduction for the SMSF's interest expenses overseas.

B2 Non-deductible interest expenses overseas

Write at label **B2** the amount of interest expenses that the SMSF incurred on borrowings from overseas sources that is not deductible. This includes an amount of interest expense to the extent the expense is incurred for the purposes of earning exempt income.

PAYG withholding

SMSFs must remit to us the amount of tax (withholding tax) they have withheld, or should have withheld, from interest paid or payable to either:

- non-residents
- residents, where the resident's interest is derived through an overseas branch.

If the SMSF is required to have withheld an amount from interest paid, or is required to withhold from interest payable, the SMSF must register for PAYG withholding and lodge a **PAYG withholding from interest, dividend and royalty payments paid to non-residents – annual report**.

If the SMSF paid interest to non-residents, keep a record of the following:

- name and address of recipients
- amount of interest paid or credited
- amount of tax withheld
- the date that the tax withheld was remitted to us.

For more information, see **Record-keeping requirements**.

D1 and D2 Capital works expenditure

Capital works include the construction, extension, alteration and improvement of any capital asset (such as buildings, dams and roads) and structural improvements such as fences, retaining walls and sealed driveways.

Does the SMSF have deductible or non-deductible capital works expenditure?

- **No** – Leave labels **D1** and **D2** blank. Go to labels **E1** and **E2**.
- **Yes** – Read on.

Write at labels **D1** and **D2**, as required, the amount that the SMSF calculated in 2023–24 for capital works expenditure.

Don't include at labels **D1** or **D2** capital works expenditure that you can include at another question in Section **C**.

D1 Deductible capital works expenditure

Write at label **D1** the amount of deductible capital works expenditure. For more information about amounts that are deductible, see **Appendix 1: Capital works expenditure**.

Don't include at label **D1** capital works expenditure (or any part of such expenditure) that relates to earning:

- foreign income (see [Expenses that relate to foreign income](#))
- non-arm's length income (see [Expenses that relate to non-arm's length income](#)).

If the SMSF paid retirement phase income stream benefits to a member, refer to **How expenses are treated when an SMSF has ECPI** before you claim a deduction for capital works expenditure.

D2 Non-deductible capital works expenditure

Write at label **D2** the amount of capital works expenditure that is not deductible. For example, if the SMSF uses the capital works area for the purposes of earning exempt income, such as exempt current pension income.

Example: 'SMSF with no ECPI': Capital works expenditure

SMSF D has no exempt current pension income, foreign income or non-arm's length income.

SMSF D spent \$40,000 in 2023–24 to renovate its investment property. It can deduct 2.5% of this expenditure for 2023–24

(that is, 2.5% of 40,000 = \$1,000).

SMSF D reports at labels:

- **D1 Deductible capital works expenditure** – \$1,000
- **D2 Non-deductible capital works expenditure** – Blank.

Example: 'SMSF with ECPI': Capital works expenditure

SMSF DD pays retirement phase income stream benefits to one of its 3 members and some of its income is exempt from income tax under the exempt current pension income rules.

SMSF DD spent \$40,000 in 2023–24 to renovate its investment property. *SMSF DD* calculates 2.5% of this expenditure for 2023–24 (that is, 2.5% of 40,000 = \$1,000).

Using the rules described at **How expenses are treated when an SMSF has ECPI** SMSF DD determines that \$250 of the capital works expenditure relates to earning its exempt current pension income.

SMSF DD reports at labels:

- **D1 Deductible capital works expenditure** – \$750
- **D2 Non-deductible capital works expenditure** – \$250.

E1 and E2 Decline in value of depreciating assets

Depreciating assets are capital assets, such as cars, computers or machinery. Their cost is not generally an expense at the time of purchase, but their value may decline over their effective life. This decline in value may be a deduction or a non-deductible expense.

Did the SMSF's depreciating assets decline in value?

- **No** – Leave labels **E1** and **E2** blank. Go to labels **F1** and **F2**.
- **Yes** – Read on.

Write at labels **E1** and **E2** the amount by which the SMSF's depreciating asset declined in value during 2023–24.

If you are uncertain whether an asset is a depreciating asset or whether you can claim a deduction, see [Guide to depreciating assets 2024](#).

E1 Deductible decline in value of depreciating assets

Write at label **E1** the deductible amount for the decline in value of the SMSF's depreciating assets, for example, the decline in value of a depreciating asset that the SMSF uses for the purposes of earning assessable income.

Don't include at label **E1** an amount for the decline in value of an asset to the extent the amount is taken into account in working out:

- foreign income (see [Expenses that relate to foreign income](#))
- non-arm's length income (see [Expenses that relate to non-arm's length income](#)).

If the SMSF pays retirement phase income stream benefits to a member, refer to [How expenses are treated when an SMSF has ECPI](#) before you claim a deduction for the amount the SMSF's depreciating assets declined in value.

For more information, see [Guide to depreciating assets 2024](#).

You can work out your capital allowance deductions by using the [Depreciation and capital allowances tool \(DCAT\)](#).

From 1 July 2017, you are generally not entitled to a deduction for decline in value of certain second-hand depreciating assets in your residential property:

- which you entered into a contract to acquire, or which you otherwise acquired, at or after 7:30 pm on 9 May 2017
- which you used, or had installed ready for use, for any private purpose in 2016–17 or earlier, and for which you were not entitled to a deduction for a decline in value in 2016–17.

You may be entitled for these deductions if you are using your residential rental property in carrying on a business (including the business of property investing) or another exception applies.

Residential rental property is residential premises you use to provide residential accommodation for the purpose of producing assessable income.

For more information, see:

- Rental properties 2024
- Guide to depreciating assets 2024.

E2 Non-deductible decline in value of depreciating assets

Write at label **E2** the amount for the decline in value of the SMSF's depreciating assets that is not deductible. This includes an amount for the decline in value of a depreciating asset to the extent the asset is used for the purposes of earning exempt income, such as exempt current pension income.

Example: 'SMSF with no ECPI': Decline in value of depreciating assets

SMSF E has no exempt current pension income, foreign income or non-arm's length income.

SMSF E owns a commercial property that it rents to a business. The property contains furnishings and fittings.

SMSF E can claim a deduction of \$4,000 for 2023–24 for the decline in value of the furnishings and fittings in the property.

SMSF E reports at labels:

- **E1 Deductible decline in value of depreciating assets** – \$4,000
- **E2 Non-deductible decline in value of depreciating assets** – Blank.

Example: 'SMSF with ECPI': Decline in value of depreciating assets

SMSF EE pays retirement phase income stream benefits to one of its 3 members and some of its income is exempt from income tax under the **exempt current pension income** rules.

SMSF EE owns a commercial property that it rents to a business. The property contains furnishings and fittings. The decline in value of the furnishings and fittings is \$4,000 for 2023–24.

Using the rules described at **How expenses are treated when an SMSF has ECPI** SMSF EE determines that \$1,000 of the depreciation relates to earning its exempt current pension income.

SMSF E reports at labels:

- **E1 Deductible decline in value of depreciating assets** – \$3,000
- **E2 Non-deductible decline in value of depreciating assets** – \$1,000.

F1 and F2 Insurance premiums – members

Did the SMSF have insurance to cover its members?

- **No** – Leave labels **F1** and **F2** blank. Go to label **H1**.
- **Yes** – Read on.

Write at labels **F1** and **F2**, as required, the amount of insurance premiums incurred by the SMSF for 2023–24 for insurance policies that provide cover to enable benefits to be paid for members.

F1 Deductible insurance premiums – members

Write at label **F1** the amount that is deductible for insurance premiums to provide benefits upon the death, existence of a terminal medical condition or temporary or permanent disability of a member:

If in 2023–24 the SMSF purchased or provided any of the following types of insurance, read on to find out what amount the SMSF is able to deduct:


- [Whole of life policies](#)
- [Endowment policies](#)

- [Total and permanent disability \(TPD\) cover](#)
- [Temporary disability](#)
- [Self-insurance](#).

A complying SMSF may instead choose to deduct an amount calculated using the formula in **Section 295-470** of the ITAA 1997 rather than claiming a deduction for insurance premiums paid, or an amount under the self-insurance provisions.

If the SMSF has **exempt current pension income** this does not affect the amount the SMSF is entitled to deduct for insurance premiums. For more information, see **How expenses are treated when an SMSF has ECPI?**

Since 1 July 2014, an SMSF trustee can no longer enter into insurance policies to provide benefits that are not consistent with the conditions of release in the *Superannuation Industry (Supervision) Regulations 1994* (SISR) for death, terminal medical condition, permanent incapacity and temporary incapacity.

However, this does not apply to the continued provision of insured benefits to members who joined the SMSF, and were covered by that insured benefit, before 1 July 2014 or to the provision of benefits under an approval that has been granted. For more information see [regulation 4.07D of the SISR](#) .

F2 Non-deductible insurance premiums – members

Write at label **F2**, the amount that is not deductible for insurance premiums.

Non-deductible insurance premiums include:

- any insurance premiums paid by a non-complying SMSF
- payments for insurance that covers events other than death, the existence of a terminal medical condition, or temporary or permanent disability (for example, funeral insurance).

For more information, see **Subdivision 295-G** of the *Income Tax Assessment Act 1997*.

Example: insurance premiums for an SMSF, with or without ECPI

[See note 1](#) for the effect of ECPI in this example.

SMSF F is a complying SMSF that provides insurance for its members.

In 2023–24 SMSF F paid \$10,000 for insurance premiums as follows:

- \$3,000 for death cover
- \$2,500 for terminal medical condition cover
- \$2,500 for temporary or permanent disability cover
- \$2,000 for cover of specified traumas (such as strokes) ([see note 2](#)).

SMSF F reports at labels:

- **F1 Deductible insurance premiums** – \$8,000
- **F2 Non-deductible insurance premiums** – \$2,000.

Notes:

1: The amount of insurance premiums that the SMSF can deduct is not affected by any **exempt current pension income**.

2: This insurance policy started before 1 July 2014. The insurance only covers members who joined the SMSF before 1 July 2014. SMSF trustees are prohibited from obtaining a policy covering trauma insurance that started after 30 June 2014.

Whole of life policies

A complying SMSF can deduct 30% of the premium for a whole of life policy if all the individuals whose lives are insured are members of the SMSF. For more information see **Section 295-480** of the ITAA 1997 and ATO ID 2009/100.

If the whole of life policy is bundled with other types of insurance, the SMSF can deduct 30% of the part of the insurance premium that is specified in the policy as being for a distinct part of the policy that would have been a whole of life policy if it had been a separate policy

and all of the individuals whose lives are insured are members of the SMSF.

Endowment policies

A complying SMSF can deduct 10% of a premium for an endowment policy if all the individuals whose lives are insured are members of the SMSF. For more information on what an 'endowment policy' is for these purposes, see **Section 295-480** of the ITAA 1997.

If the endowment policy is bundled with other types of insurance, the SMSF can deduct 10% of the part of the insurance premium that is specified in the policy as being for a distinct part of the policy that would have been an endowment policy if it had been a separate policy and all of the individuals whose lives are insured are members of the SMSF.

Total and permanent disability (TPD) cover

There are proportions of insurance premiums for TPD cover that are deductible under item 6.

TPD any occupation

'TPD any occupation' means insurance against the member suffering an illness or injury that is likely to result in the member's permanent inability to work in any job for which the member is reasonably qualified by education, training or experience.

A complying SMSF can deduct 100% of insurance premiums for 'TPD any occupation' cover for its members as shown in [Table 6](#).

TPD own occupation

'TPD own occupation' means insurance against the member suffering an illness or injury that is likely to result in the member's permanent inability to work in the member's own occupation (other than in a substantially reduced capacity).

A complying SMSF can deduct a portion of insurance premiums for 'TPD own occupation' cover for its members, as shown in [Table 6](#).

Actuary certificate

An actuarial certificate is not required to be obtained in order to deduct either:

- the premium, or a proportion of the premium, as shown in [Table 6](#)
- a percentage of a part of a bundled insurance premium that is specified as being for a policy that would have been deductible if it had been a separate policy.

An actuarial certificate is required to be obtained in order to deduct either:

- a proportion other than that specified in [Table 6](#)
- an amount for a bundled insurance premium where no amount has been specified for insurance to provide superannuation benefits upon the death, existence of a terminal medical condition or disability of a member.

If an actuarial certificate is required it must be obtained before the date of lodgment of the annual return.

Table 6 shows the proportions of insurance premiums for TPD cover that are deductible under item 6 of the table in subsection 295-465(1) of the ITAA 1997 as specified in regulation 295-465.01 of the *Income Tax Assessment Regulations 1997*.

For information about deductions for premiums for total and permanent disability cover, see Taxation Ruling TR 2012/6 *Income tax: deductibility under subsection 295-465(1) of the Income Tax Assessment Act 1997 of premiums paid by a complying superannuation fund for an insurance policy providing Total and Permanent Disability cover in respect of its members*.

Table 6: Proportions of insurance premiums for TPD cover that are deductible


The SMSF can deduct:	Percentage
TPD any occupation cover.	100%
TPD any occupation cover with one or more of the following inclusions: <ul style="list-style-type: none"> • activities of daily living • cognitive loss • loss of limb 	100%

<ul style="list-style-type: none"> • domestic (home) duties. 	
TPD own occupation cover.	67%
TPD own occupation cover with one or more of the following inclusions: <ul style="list-style-type: none"> • activities of daily living • cognitive loss • loss of limb • domestic (home) duties. 	67%
TPD own occupation cover bundled with death (life) cover.	80%
TPD own occupation cover bundled with death (life) cover with one or more of the following inclusions: <ul style="list-style-type: none"> • activities of daily living • cognitive loss • loss of limb • domestic (home) duties. 	80%

Temporary disability

A complying SMSF may also deduct premiums on insurance policies to replace members' income during periods of their temporary disability.

Self-insurance

An SMSF can't enter into any arrangement to provide self-insurance for a member. Even where the SMSF was providing self-insurance for a member on or before 1 July 2013, the arrangement must have ended before 1 July 2016. For more information see [Regulation 4.07E](#)  of *Superannuation Industry (Supervision) Regulations 1994*.

H1 and H2 SMSF auditor fee

Did the SMSF incur auditor's fees?

- **No** – Write **0** (zero) at label **H1**. Go to labels **I1** and **I2**.
- **Yes** – Read on.

Write at labels **H1** and **H2**, as required, the amount of auditor fees that the SMSF incurred in 2023–24.

Don't include tax agent fees or other management and administration expenses at labels **H1** or **H2**. Show these at labels **J1** or **J2** Management and administration expenses.

H1 Deductible SMSF auditor fee

Write at label **H1** the amount of SMSF auditor fees that is deductible.

If the SMSF didn't incur deductible SMSF auditor fees, write **0** (zero) at label **H1**.

Don't include at label **H1** any part of the SMSF's auditor fees that relate to earning:

- foreign income (see [Expenses that relate to foreign income](#))
- non-arm's length income (see [Expenses that relate to non-arm's length income](#)).

If the SMSF pays retirement phase superannuation income stream benefits to a member, refer to **How expenses are treated when an SMSF has ECPI** before you claim a deduction for the SMSF's auditor fees.

H2 Non-deductible SMSF auditor fee

Write at label **H2** the amount for auditor fees that is not deductible. This includes auditor fees to the extent the fees are incurred for the purposes of earning exempt income, such as exempt current pension income.

If the SMSF did not incur non-deductible SMSF auditor fees, write **0** (zero) at label **H2**.

Example: 'SMSF with no ECPI': SMSF auditor fee

SMSF H has no exempt current pension income, foreign income or non-arm's length income.

In 2023–24, SMSF H paid an auditor \$1,000 to audit its 2022–23 accounts.

SMSF H reports at labels:

- **H1 Deductible SMSF auditor fee** – \$1,000
- **H2 Non-deductible SMSF auditor fee** – \$0.

Example: SMSF with ECPI: SMSF auditor fee

SMSF HH pays retirement phase superannuation income stream benefits to one of its 3 members and some of its income is exempt from income tax under the **exempt current pension income** rules.

In 2023–24, SMSF HH paid an auditor \$1,000 to audit its 2022–23 accounts.

Using the rules described at **How expenses are treated when an SMSF has ECPI** SMSF HH determines that \$250 of the audit fee relates to earning its exempt current pension income.

SMSF HH reports at labels:

- **H1 Deductible SMSF auditor fee** – \$750
- **H2 Non-deductible SMSF auditor fee** – \$250.

I1 and I2 Investment expenses

Did the SMSF incur expenses of a revenue nature in managing or maintaining its investments?

- **No** – Leave labels **I1** and **I2** blank. Go to labels **J1** and **J2**.
- **Yes** – Read on.

Write at labels **I1** and **I2**, as required, the amount of expenses (of a revenue nature) that the SMSF incurred in managing or maintaining its investments.

I1 Deductible investment expenses

Write at label **I1** the deductible amount of investment expenses.

The exact nature of the investment related expenses is critical in determining deductibility. Examples of deductible investment related expenses include:

- interest expenses
- ongoing management fees or retainers paid to investment advisers
- costs of servicing and managing an investment portfolio such as bank fees, rental property expenses, brokerage fees
- the cost of advice to change the mix of investments, whether by the original or a new investment adviser, provided it does not amount to a new financial plan.

Note: if the advice covers other matters or relates in part to investments that don't produce assessable income, only a proportion of the fee is deductible.

For more information, see **Investment-related expenses**.

Don't include at label **I1** investment expenses (or any part of such expenses) that relate to earning:

- foreign income (see [Expenses that relate to foreign income](#))
- non-arm's length income (see [Expenses that relate to non-arm's length income](#)).

There are special rules for the deductibility of expenses relating to investments in pooled superannuation trusts and life insurance policies, see [Investments in pooled superannuation trusts \(PSTs\) and life insurance policies](#).

If the SMSF pays retirement phase superannuation income stream benefits to a member, refer to **How expenses are treated when an SMSF has ECPI** before you claim a deduction for the SMSF's investment expenses.

I2 Non-deductible investment expenses

Write at label **I2** the amount of investment expenses that are not deductible. This includes an amount of investment expense to the extent the expense is incurred for the purposes of earning exempt income, such as exempt current pension income.

Example: 'SMSF with no ECPI': Investment expenses

SMSF I has no exempt current pension income, foreign income or non-arm's length income.

In 2023–24, SMSF I paid a total of \$400 for annual investment manager fees.

SMSF I reports at labels:

- **I1 Deductible investment expenses** – \$400
- **I2 Non-deductible investment expenses** – Blank.

Example: 'SMSF with ECPI': Investment expenses

SMSF II pays retirement phase superannuation income stream benefits to one of its 3 members and some of its income is exempt from income tax under the exempt current pension income rules.

In 2023–24, SMSF II paid a total of \$400 for annual investment manager fees.

Using the rules described at [How expenses are treated when an SMSF has ECPI](#) SMSF II determines that \$100 of the fees relates to earning its exempt current pension income.

SMSF II reports at labels:

- **I1 Deductible investment expenses** – \$300
- **I2 Non-deductible investment expenses** – \$100.

Investments in pooled superannuation trusts (PSTs) and life insurance policies

Complying SMSFs can claim deductions for expenses they incurred to acquire, hold or dispose of:

- units in a PST
- life insurance policies issued by life insurance companies

- interests in trusts whose assets consist wholly of such life insurance policies.

The SMSF can claim the expenditure as a deduction if the expenditure would qualify for deduction under the provisions of the ITAA 1936 or the ITAA 1997 if any profits, gains or bonuses received from the investments listed above that are not assessable income were instead included in assessable income.

Don't include amounts at labels **I1** or **I2** if you can more appropriately include them at labels **F1** or **F2**.

The SMSF can't deduct amounts for investment charges that the PST or life insurance company deducts from the gross contributions transferred to it from the SMSF. These charges are not deductible because they are capital expenditure (since they reduce the amount of the investment).

For more information, see **Section 295-100** of the *Income Tax Assessment Act 1997*.

J1 and J2 Management and administration expenses

Did the SMSF incur management or administration expenses?

- **No** – Leave labels **J1** and **J2** blank. Go to labels **U1** and **U2**.
- **Yes** – Read on.

Write at labels **J1** and **J2**, as required, the amount of management and administration expenses (of a revenue nature) that the SMSF incurred in 2023–24.

Don't include at labels **J1** or **J2**:

- investment management expenses (include these at labels **I1** or **I2** **Investment expenses**)
- SMSF auditor fees (include these at labels **H1** or **H2** **SMSF auditor fees**).

J1 Deductible management and administration expenses

Write at label **J1** the amount of deductible management and administration expenses.

The SMSF can claim a deduction for management and administration expenses incurred:

- for the purposes of earning assessable income
 - such as the cost of collecting contributions (Australian SMSFs can claim a deduction whether or not the contribution is assessable, foreign SMSFs can't claim a deduction)
- that were tax-related (as described in **Section 25-5** of the ITAA 1997), such as
 - tax agent fees
 - SMSF supervisory levy
 - general interest charge
 - shortfall interest charge.

Don't include at label **J1** management and administration expenses (or any part of such expenses) that relate to earning:

- foreign income (see [Expenses that relate to foreign income](#))
- non-arm's length income (see [Expenses that relate to non-arm's length income](#)).

If the SMSF pays retirement phase superannuation income stream benefits to a member, refer to **How expenses are treated when an SMSF has ECPI** before you claim a deduction for the SMSF's management and administration expenses.

J2 Non-deductible management and administration expenses

Write at label **J2** the amount of management and administration expenses that are not deductible.

Non-deductible management and administration expenses include:

- fees for setting up the SMSF
- legal fees incurred to amend a trust deed to include a new member
- late lodgment penalties
- most expenses incurred in earning income that is exempt, such as exempt current pension income.

Example: management and administration expenses

SMSF J has no exempt current pension income, foreign income or non-arm's length income.

In 2023–24, SMSF J paid the following management and administration expenses:

- \$600 for tax agent fees
- \$259 for the SMSF supervisory levy
- \$1,000 to an SMSF administrator
- \$800 to change its trust deed.

SMSF J determines that:

- the tax agent's fees, SMSF supervisory levy and SMSF administrator fees (\$1,859) are deductible
- the legal fees for the change to the trust deed (\$800) are not deductible.

SMSF J reports at labels:

- **H1 Deductible management and administration expenses – \$1,859**
- **H2 Non-deductible management and administration expenses – \$800.**

U1 and U2 Forestry managed investment scheme expense

Did the SMSF incur expenses for a forestry managed investment scheme (FMIS)?

- No – Leave labels **U1** and **U2** blank. Go to labels **L1** and **L2**.
- Yes – Read on.

Write at labels **U1** and **U2**, as required, the amount of forestry managed investment scheme expenses that the SMSF incurred in 2023–24.

U1 Deductible forestry managed investment scheme expenses

Write at label **U1** the total amount of deductible payments made under an FMIS.

Don't include at label **U1** payments (or any part of such payments) that relate to earning:

- foreign income (see [Expenses that relate to foreign income](#))
- non-arm's length income (see [Expenses that relate to non-arm's length income](#)).

You can read more about calculating deductible FMIS payments at **Appendix 2: Forestry managed investment schemes**.

If the SMSF pays retirement phase superannuation income stream benefits to a member, refer to **How expenses are treated when an SMSF has ECPI** before you claim a deduction for the SMSF's FMIS expenses.

U2 Non-deductible forestry managed investment scheme expenses

Write at label **U2** the total amount of payments made under an FMIS that are not deductible. The SMSF can't claim a deduction for certain excluded payments. For more information, see **Appendix 2: Forestry managed investment schemes**.

The SMSF can't claim a deduction for payments if the income from the FMIS is exempt income, such as exempt current pension income.

For information on the SMSF's eligibility to claim deductions, if the SMSF incurred expenses to do with a collapsed agribusiness managed investment scheme, then see **Collapse and restructure of agribusiness managed investment schemes – participant information**.

Example: 'SMSF with no ECPI': FMIS expenses

SMSF U has no exempt current pension income, foreign income or non-arm's length income.

SMSF U is entitled to a deduction of \$800 for payments made to an FMIS in 2023–24.

SMSF U reports at labels:

- **I1 Deductible forestry managed investment scheme expenses** – \$800
- **I2 Non-deductible forestry managed investment scheme expenses** –Blank.

Example: 'SMSF with ECPI': FMIS expenses

SMSF UU pays retirement phase superannuation income stream benefits to one of its 3 members and some of its income is exempt from income tax under the exempt current pension income rules.

SMSF UU made payments of \$800 to an FMIS in 2023–24.

Using the rules described at **How expenses are treated when an SMSF has ECPI** SMSF UU determines that \$200 of the payments relate to earning its ECPI.

SMSF UU reports at labels:

- **I1 Deductible forestry managed investment scheme expenses** – \$600
- **I2 Non-deductible forestry managed investment scheme expenses** – \$200.

L1 and L2 Other amounts

Did the SMSF incur other expenses?

- **No** – Leave labels **L1** and **L2** blank. Go to label **M1**.
- **Yes** – Read on.

Write at labels **L1** and **L2**, as required the amount of expenses incurred by the SMSF in 2023–24 that don't fall into any other category in **Section C**. You will need to refer to:

- [Table 7: 'Other amounts' categories and codes](#) which specifically identifies, and provides codes for, 9 categories of other amounts,

and

- the description of each category below [Table 7](#).

Don't include at labels **L1** or **L2**:

- expenses that are more appropriately included elsewhere in Section **C**
- super benefits paid (don't include these anywhere in Section **C**).

L1 Deductible other amounts

Write at label **L1** the total of any other deductible expenses that are not included at any other question.

Don't include at label **L1** expenses (or any part of expenses) that relate to earning:

- foreign income (see [Expenses that relate to foreign income](#))
- non-arm's length income (see [Expenses that relate to non-arm's length income](#)).

If the SMSF pays retirement phase superannuation income stream benefits to a member, refer to **How expenses are treated when an SMSF has ECPI** before you claim a deduction for the expenses that you include at label **L1**.

If you incur expenditure for which you are eligible to claim the **small business skills and training boost** or the **small business energy incentive**, you claim an amount equal to 20% of that expenditure at label **L1**. This deduction is separate and additional to other deductions you would ordinarily claim under tax law.

Note: Small business energy incentive (or bonus deduction) **is not yet law**. You can't claim the bonus deduction until the law is enacted.

If you intend to claim the bonus deduction, consider lodging your tax return 2024 after the law is enacted but before the lodgement due date. Alternatively, lodge your tax return and claim the ordinary deduction for expenditure on assets or improvements eligible for the energy incentive. When the law is enacted, you can amend your tax return to claim the 20% bonus deduction.

L2 Non-deductible other amounts

Write at label **L2** the total of any other expenses that the SMSF incurred that are not deductible and that are not included at any other question. For example, include income tax paid by the SMSF at label **L2** as it is not deductible at all.

Also include an amount for any other expenses (that are not included at any other question) to the extent those expenses are incurred for the purposes of earning exempt income, such as exempt current pension income.

Code boxes

You must print a code in the code box to the right of:

- label **L1** if you write an amount at label **L1**
- label **L2** if you write an amount at label **L2**.

Print the code from **Table 7** that best describes the largest amount you include at each of labels **L1** and **L2**.

Table 7: 'Other amounts' categories and codes

Code	Amounts in respect of
A	Balancing adjustment amounts
B	Contribution that is a fringe benefit
C	Exclusion of personal contributions
E	Environmental protection activities (EPA) expenditure
F	Forex losses
I	Deduction relating to listed investment company (LIC) capital gain amount
N	Deduction relating to foreign non-assessable non-exempt income
R	Return of contributions by a non-complying SMSF

T	Taxation of financial arrangements (TOFA) amounts
O	Other amounts not listed above

Balancing adjustment amounts – code A

If the SMSF ceases to hold or to use a depreciating asset, you need to work out a balancing adjustment amount. Include balancing adjustment losses at labels **L1** or **L2**.

For more information, see [Guide to depreciating assets 2024](#).

Contribution that is a fringe benefit –code B

A 'contribution that is a fringe benefit' is a contribution that is both:

- included in the SMSF's assessable income as an assessable contribution that is a fringe benefit
- taxed as a fringe benefit in the hands of the contributor.

The SMSF can deduct a contribution that is a fringe benefit in the income year in which the contribution is included in assessable income. The deduction is included at label **L1**.

A contribution made for an employee to a **complying SMSF** is not a fringe benefit.

For more information, see [Section 295-490 of the ITAA 1997](#).

Exclusion of personal contributions – code C

'Exclusion of personal contributions' refers to situations where an SMSF:

- received (from a member) during 2023–24 a valid variation of the *Notice of intent to claim a deduction for personal super contributions* that reduced the amount of personal contributions that were assessable income of the SMSF in a previous income year, and
- didn't choose to amend the SMSF annual return for that earlier income year in which it included the contributions as assessable income.

In this situation the SMSF may claim a deduction by including an amount at label **L1** for 'exclusion of personal contributions'. The SMSF's assessable income for 2023–24 is reduced by the amount its assessable income in a previous income year is overstated, following a valid variation notice being received from the member.

Don't include an amount at label **L1** for 'exclusion of personal contributions' if a member varies a *Notice of intent to claim a deduction for personal super contributions* for personal super contributions made by the member in 2023–24 (include the reduced amount at **R2 Assessable personal contributions**).

For more information, see *Notice of intent to claim or vary a deduction for personal super contributions*.

Environmental protection activities (EPA) expenditure – code E

A deduction is allowed for certain capital expenditure incurred for the sole or dominant purpose of either:

- preventing, fighting or remedying pollution of the environment resulting from an earning activity, or the site of an earning activity
- treating, cleaning up, removing or storing waste resulting from an earning activity, or the site of an earning activity.

Include at label **L1** a deduction for EPA expenditure.

Expenditure that forms part of the cost of a depreciating asset is not deductible as expenditure on EPA if a deduction is available for the decline in value of the asset.

You can write off expenditure incurred on or after 19 August 1992 on certain earthworks constructed as a result of carrying out EPA at the rate of 2.5% per annum under the provisions for capital works expenditure.

For more information, see:

- *Guide to depreciating assets 2024*
- Section 40-755 of the ITAA 1997.

Forex losses – code F

If the SMSF has any deductible or non-deductible foreign exchange losses of a revenue nature that have not been shown at any other question in Section **C**, include the amount of the losses at labels **L1** or **L2**.

See Foreign exchange gains and losses to work out the SMSF's forex losses, if any.

Deduction relating to listed investment company (LIC) capital gain amount – code I

A listed investment company (LIC) can pay a dividend to an SMSF that includes a LIC capital gain amount (shown in the LIC's dividend statement). A complying SMSF can claim a deduction of one-third of that LIC capital gain amount. An Australian resident non-complying SMSF that is a trust can claim a deduction of one-half of that LIC capital gain amount.

Include at label **L1** allowable deductions for a LIC capital gain amount.

For more information, see Subdivision 115-D of the *Income Tax Assessment Act 1997*.

Deduction relating to foreign non-assessable non-exempt income – code N

Certain expenses relating to foreign non-assessable non-exempt income (that is, tax-free income) are allowable deductions against the SMSF's assessable income if the expenses incurred are a cost in relation to certain debt interests.

Include at label **L1** a deduction for such expenses.

For SMSFs, the relevant non-assessable non-exempt income is foreign income covered by sections 23AI or 23AK of the ITAA 1936.

For more information, see:

- Section 25-90 of the ITAA 1997
- Sections 23AI or 23AK of the ITAA 1936 if the amount is attributed income.

Return of contributions by non-complying SMSF – code R

An SMSF that has been non-complying since 1 July 1988, or since it was established if this is later, can deduct at label **L1** an amount which it pays to an entity (the receiving entity), so far as the amount reasonably represents the direct or indirect return of either:

- a contribution for which the receiving entity or another entity has deducted or can deduct an amount
- earnings on such a contribution.

The receiving entity includes the amount in its assessable income under **Section 290-100** of the ITAA 1997.

The amount can be deducted by the SMSF in the income year in which it is included in the receiving entity's assessable income.

For more information, see **Section 295-490** of the ITAA 1997.

Taxation of financial arrangements (TOFA) amounts – code T

If the TOFA rules apply to calculate an assessable gain or deductible loss on the SMSF's financial arrangements, include at label **L1** any deductible losses relating to financial arrangements. Show at label **L2** any TOFA losses for which a deduction could not be claimed. TOFA amounts that have been included elsewhere should not be included here.

Complete **Section I: Taxation of financial arrangements** if what you write at labels **L1** or **L2** includes an amount determined under the TOFA rules.

Other amounts not listed above – code O

If the amount that you include at labels **L1** or **L2** is not one of the types of deduction listed above for codes **A, B, C, E, F, I, N, R** or **T**, then use code **O** for 'other'.

M1 Tax losses deducted

Does the SMSF have a tax loss from an earlier income year?

- **No** – Leave label **M1** blank. Go to label **N**.
- **Yes** – Read on.

Write at label **M1** the tax losses from an earlier income year that the SMSF is claiming. The SMSF can claim tax losses only to the extent that its total assessable income exceeds total deductions (other than tax losses).

The trust loss legislation in Schedule 2F to the ITAA 1936 affects the deductibility of prior year losses by all trusts that are not excepted trusts as defined in **Section 272-100** of Schedule 2F to the ITAA 1936, such as non-complying super funds.

You may need to complete and attach a *Losses schedule 2024* to the SMSF's annual return. For more information, see **Losses schedule instructions 2024**.

Tax losses are not the same as 'capital losses' which may result from a capital gains tax event. Don't include net capital losses at label **M1**. Capital losses from prior years can be applied against the current year's capital gains at Section **B**, item **11** – label **A Net capital gain** or carried forward to later income years. See Section **E**, item **14** – label **V Net capital losses carried forward to later income years**.

Do include foreign tax losses from prior years at label **M1**.

Don't include at label **M1** tax losses that relate to non-arm's length income. Tax losses that relate to non-arm's length income can only be applied against non-arm's length income. If the SMSF has carried forward a loss from a non-arm's length transaction in a prior year, use the loss to reduce the amount that you write at the non-arm's length income questions in Section **B**, item **11** – labels **U1**, **U2** and **U3**.

Tax losses and tax exempt income

If the SMSF had Net exempt income in 2023–24, you must first deduct the SMSF's tax losses from earlier income years from the SMSF's net exempt income (**Section 36-15** of the ITAA 1997).

If tax losses from earlier years remain after the net exempt income has been reduced to zero, write the remaining tax losses at label **M1** to be deducted from the SMSF's assessable income (but only to the extent such losses are necessary to reduce the SMSF's taxable income to zero).

For more information, see **Exempt current pension income**.

Example: 'SMSF with no ECPI': Tax losses deducted

SMSF M has no exempt current pension income, foreign income or non-arm's length income.

In 2022–23, SMSF M made a tax loss of \$30,000 which it reported at Section **E**, item **14** – label **U Tax losses carried forward to later income years** in its 2022–23 annual return.

In its 2023–24 annual return, SMSF M reports \$30,000 at label **M1 Tax losses deducted**.

Example: 'SMSF with ECPI': Tax losses deducted

SMSF MM pays retirement phase superannuation income stream benefits to one of its 3 members and some of its income is exempt from income tax under the exempt current pension income rules.

In 2022–23, SMSF MM made a tax loss of \$30,000 which it reported at Section **E**, item **14** – label **U Tax losses carried forward to later income years** in its 2022–23 annual return.

Using the rules described at **How expenses are treated when an SMSF has ECPI**, SMSF MM determines that for 2023–24, \$20,000 of its income is exempt current pension income and \$2,000 of its expenses relate to earning that exempt current pension income. Therefore, its net exempt income is \$18,000 (\$20,000 – \$2,000).

In its 2023–24 annual return, SMSF MM writes \$12,000 (\$30,000 – \$18,000) at label **M1 Tax losses deducted**.

N Total deductions

Add all the deductions from labels **A1** to **M1**.

Write the total at label **N**.

Y Total non-deductible expenses

Add all the non-deductible expenses from labels **A2** to **L2**.

Write the total at label **Y**.

O Taxable income or loss

Subtract the amount at label **N Total deductions** from the amount in Section **B**, item **11** – label **V Total assessable income**. If label **V** is a loss, add labels **N** and **V**.

Write the result at label **O**. If the result is:

- zero, you must write **O**
- a loss
 - print **L** in the box at the right of the total
 - include that total at Section **E**, item **14** – label **U Tax losses carried forward to later income years**.

Label **O** is mandatory. If you leave label **O** blank, you will have specified a zero amount.

Z Total SMSF expenses

Add the amounts at labels **N Total deductions** and **Y Total non-deductible expenses**.

Write the total at label **Z**.

Continue to: Section D: Income tax calculation statement – item 13

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Section D: Income tax calculation statement – item 13

You must complete Section D. Calculate the amount of tax and other charges payable by, or refundable to, the SMSF.

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Mandatory labels

You must complete labels **A**, **T1**, **J**, **T5** and **I** in this section.

This section works out the amount of tax and other charges payable by, or refundable to, the SMSF. We also use the information which you provide in this section to work out the SMSF's 2024–25 PAYG instalments (if applicable to the SMSF).

Work through each label from **A Taxable income** to **S Amount due or refundable** and either:

- write the relevant amount if the question applies to your SMSF
- write **0** (zero) if the question
 - does not apply to your SMSF, and
 - is one of the mandatory labels **A, T1, J, T5** and **I**
- leave the answer box blank for any other question that does not apply to your SMSF.

Answer the questions in their sequence. Some questions rely on information you have already entered in previous questions.

On pages 6 and 7 you will need to go through the questions in the left-hand column (labels **C1–2, D1–4, E1–4, H2–8**) before you can complete the 3 questions in the right-hand column (labels **C, D, E, H**).

Entitlement to franking credits tax offset

Under the imputation system, tax paid by a company can be passed on to its members (shareholders) as a credit (referred to as a franking credit). The member may be able to claim a tax offset for that franking credit (referred to as a franking credits tax offset).

If the SMSF receives dividends with franking credits attached, and none of the exceptions in the following paragraph apply, the SMSF can claim a franking credits tax offset equal to the amount of the franking credit or the SMSF's share of the franking credit.

The SMSF is not entitled to a franking credits tax offset if:

- the SMSF was not an Australian resident
- the SMSF didn't satisfy the **holding period rule** and the **related payments rule** for the dividend
- the **dividend washing integrity rule** applies
- there is some other manipulation of the imputation system

- the franking credits are attached to tax exempt dividends (unless they are exempt from income tax under the **exempt current pension income** rules)
- the franking credits are attached to dividends that are non-assessable non-exempt income.

If the SMSF is entitled to a franking credits tax offset, include the amount of the franking credit (along with the dividend income) at the appropriate question in Section **B** and include the franking credit amount at either label:

- **E1 Complying fund's franking credits tax offset** if the SMSF is complying
- **C2 Rebates and tax offsets** if the SMSF is non-complying.

A complying SMSF is entitled to a refund if it is unable to fully utilise the tax offset in reducing its income tax whereas a non-complying SMSF is not entitled a refund of the unused portion of a tax offset amount.

13 Calculation statement

In this section, complete labels:

- [A, T1, J and B Calculation of gross tax](#)
- [A Taxable income](#)
- [T1 Tax on taxable income](#)
- [J Tax on no-TFN-quoted contributions](#)
- [B Gross tax](#)
- [C1, C2, C Non-refundable non-carry forward tax offsets](#)
- [C1 Foreign income tax offset](#)
- [C2 Rebates and tax offsets](#)
- [C Non-refundable non-carry forward tax offsets](#)
- [T2 Subtotal 1](#)
- [D1, D2, D3, D4, D Non-refundable carry forward tax offsets](#)
- [D1, D2 Early stage venture capital limited partnership tax offset](#)

- [D1 Early stage venture capital limited partnership tax offset](#)
- [D2 Early stage venture capital limited partnership tax offset carried forward from previous year](#)
- [D3, D4 Early stage investor tax offset](#)
- [D3 Early stage investor tax offset](#)
- [D4 Early stage investor tax offset carried forward from previous year](#)
- [T3 Subtotal 2](#)
- [E1, E2, E3 E4 and E Refundable tax offsets questions](#)
- [E1 Complying fund's franking credits tax offset](#)
- [E2 No-TFN tax offset](#)
- [E3 National rental affordability scheme tax offset](#)
- [E4 Exploration credit tax offset](#)
- [E Refundable tax offsets](#)
- [T5 Tax payable](#)
- [G Section 102AAM interest charge](#)
- [H2, H3, H5, H6, H8 and H Eligible credit questions](#)
- [H2 Credit for tax withheld – foreign resident withholding \(excluding capital gains\)](#)
- [H3 Credit for tax withheld – where ABN or TFN not quoted \(non-individual\)](#)
- [H5 Credit for TFN amounts withheld from payments from closely held trusts](#)
- [H6 Credit for interest on no-TFN tax offset](#)
- [H8 Credit for amounts withheld from foreign resident capital gains withholding](#)
- [H Eligible credits](#)
- [I Tax offset refunds](#)
- [K PAYG instalments raised](#)

- [L, M and N Supervisory levy questions](#)
- [L Supervisory levy](#)
- [M Supervisory levy adjustment for wound up funds](#)
- [N Supervisory levy adjustment for new funds](#)
- [S Amount due or refundable](#)

A, T1, J and B Calculation of gross tax

Section D labels **A**, **T1**, **J**, **T5** and **I** are mandatory. If you leave these labels blank, you will have specified a zero amount.

A Taxable income

You wrote the SMSF's taxable income, or its loss, at Section **C**, item **12** – label **O Taxable income or loss**.

Is the amount at label **O Taxable income or loss** a loss?

- **No** – Transfer the amount from Section **C**, item **12** – label **O Taxable income or loss**.
- **Yes** – Write **0** (zero) at label **A**. Go to label **T1**.

Label **A** is mandatory. If you leave label **A** blank, you will have specified a zero amount.

T1 Tax on taxable income

Amendments to the rules for non-arm's length expenditure (NALE) for superannuation entities are proposed in the [Treasury Laws Amendment \(Support for Small Business and Charities and Other Measures\) Bill 2023](#) [↗](#) (See, What's new for funds?). **This measure is not yet law**. These instructions have not been updated to reflect the proposed law changes. If you lodge your 2024 return before the law is enacted and are impacted by the law changes, you will need to amend your 2024 return. The proposed law changes are retrospective so you may also need to amend your prior year returns.

Is the amount at label **A** zero?

- **Yes** – Write **0** (zero) at label **T1**. Go to label **J**.
- **No** – Read on.

Is the SMSF a complying SMSF for the income year?

If you answer **No**:

- All assessable income for a non-complying SMSF is taxed at 45%, whether arm's length income, non-arm's length income or arising from a change in the SMSF's tax status.
- Multiply A by 45%.
- Write the result at label **T1**.

If you answer **Yes**, different tax rates apply to arm's length and non-arm's length income. Add:

- 45% of Section **B**, item **11** – label **U Net non-arm's length income**
- 15% of (Section **D**, item **13** – label **A** less Section **B**, item **11** – label **U Net non-arm's length income**).
- The result is the tax on the SMSF's taxable income before applying rebates, tax offsets, and credits. Write the result at **T1**, then go to **J**.

Label **T1** is mandatory. If you leave label **T1** blank, you will have specified a zero amount.

J Tax on no-TFN-quoted contributions

If the SMSF received no-TFN-quoted contributions (recorded at Section **B**, item **11** – label **R3 No-TFN-quoted contributions**), it pays extra tax on those contributions.

Did the SMSF receive contributions from a member who has not provided their TFN?

- **No** – Write **0** (zero) at label **J**. Go to label **B**.
- **Yes** – Read on.

Extra tax applies to no-TFN-quoted contributions. To work out the extra tax, multiply the no-TFN-quoted contributions by:

- 32% if the SMSF is a complying SMSF
- 2% if the SMSF is a non-complying SMSF.

Write the result at label **J**.

All SMSFs, complying and non-complying, have an overall tax rate of 47% on no-TFN-quoted contributions:

- complying SMSFs pay 15% (at label **T1**) and 32% (at label **J**), a total of 47%
- non-complying SMSFs pay 45% (at label **T1**) and 2% (at label **J**), a total of 47%.

You must complete label **J**. If you leave label **J** blank, you specify a zero amount.

B Gross tax

Write at label **B** the total of label **T1** and label **J**. If the sum is zero, write **0** (zero) at label **B**.

Example: calculating B Gross tax (without non-arm's length income)

SMSF B is a complying SMSF. It does not have any non-arm's length income or no-TFN-quoted contributions.

SMSF B calculated its taxable income as \$14,500 which it wrote at Section **C**, item **12** – label **O Taxable income or loss** and also at Section **D**, item **13** – label **A Taxable income**.

SMSF B calculates its tax on taxable income at label **T1** to be \$2,175 as follows:

- Rate: 15%
- Income: \$14,500
- Tax: \$2,175.

SMSF B does not have any no-TFN-quoted contributions so it writes \$0 at label **J Tax on no-TFN-quoted contributions**.

Label **B Gross tax** is the sum of label **T1** and label **J** (\$2,175 + \$0).

In the SMSF annual return, SMSF B writes:

Section D Income tax calculation statement (without non-arm's length income)

Section D: Fields	Amounts

	\$
A Taxable income	14,500
T1 Tax on taxable income	2,175
J Tax on no-TFN-quoted contributions	0
B Gross tax	2,175

Example: calculating B Gross tax (with non-arm's length income)

SMSF BB is a complying SMSF. It has non-arm's length income but does not have any no-TFN-quoted contributions.

SMSF BB calculated its taxable income as \$14,500 which it wrote at Section **C**, item **12** – label **O Taxable income or loss** and also at Section **D**, item **13** – label **A Taxable income**. This amount included non-arm's length income of \$4,500 which it wrote at Section **B**, item **11** – label **U Net non-arm's length income**.

SAF BB's calculation of tax on taxable income to show at T1

Description	Calculation	Tax
Tax on low tax component	15% of \$10,000	\$1,500
Tax on non-arms length component	45% of \$4,500	\$2,025
T1 Tax on taxable income	\$1,500 + \$2,025	\$3,525

SMSF BB does not have any no-TFN-quoted contributions so they write \$0 at label **J Tax on no-TFN-quoted contributions**.

Label **B Gross tax** is the total of label **T1** and label **J** (\$3,525 + \$0).

In the SMSF annual return, SMSF BB writes:

Section D Income tax calculation statement (with non-arm's length income)

Section D: Fields	Amounts \$
A Taxable income	14,500
T1 Tax on taxable income	3,525
J Tax on no-TFN-quoted contributions	0
B Gross tax	3,525

C1, C2, C Non-refundable non-carry forward tax offsets

Non-refundable non-carry forward tax offsets (if the SMSF is entitled to them) reduce the SMSF's gross tax. If the total of the 'non-refundable non-carry forward' tax offsets is greater than the gross tax, the excess can't be carried forward and is lost. If the SMSF's gross tax is greater than the total of non-refundable non-carry forward tax offsets, the remaining tax is shown at Section **D**, item **13** – label **T2 Subtotal 1**.

C1 Foreign income tax offset

Is the SMSF entitled to a foreign income tax offset?

- **No** – Leave label **C1** blank. Go to label **C2**.
- **Yes** – Read on.

The SMSF may be able to claim a foreign income tax offset where it has paid foreign income tax on an amount included in its assessable

income. The SMSF's foreign income tax offset is limited to the lesser of:

- the foreign income tax that the SMSF paid (or is taken to have paid)
- the SMSF's foreign income tax offset limit (which is \$1,000 or the amount calculated under **paragraph 770-75(2)(b)** of the ITAA 1997, whichever is greater).

Write at label **C1** the amount that the SMSF can claim as a foreign income tax offset.

Don't include **Australian franking credits from a New Zealand company** at label **C1**. Include these at either label:

- **E1 Complying fund's franking credits tax offset** if the SMSF is complying
- **C2 Rebates and tax offsets** if the SMSF is non-complying.

For more information, see:

- **Guide to foreign income tax offset rules 2024**
- **Subdivision 770-B of the *Income Tax Assessment Act 1997*.**

C2 Rebates and tax offsets

Is the SMSF entitled to rebates and tax offsets (other than those that the SMSF claims at labels **C1**, **D1** to **D4** or **E1** to **E4**)?

- **No** – Leave label **C2** blank. Go to label **C**.
- **Yes** – Read on.

Write at label **C2** the total of rebates and tax offsets available other than those that are included at labels **C1**, **D1** to **D4** or **E1** to **E4**.

Include franking credits tax offsets at label **C2** if the SMSF is **non-complying**. For details on entitlement to a franking credits tax offset, see [Entitlement to franking credits tax offset](#).

You must also include the franking credit as income at the appropriate question in Section B.

Don't include:

- franking credits tax offsets if the SMSF is **complying** (include these at label **E1 Complying fund's franking credits tax offset**)

- no-TFN tax offsets (include these at label **E2 No-TFN tax offset**)
- franking credits attributable to a dividend that is excluded from assessable income because family trust distribution tax has been paid
- franking credits tax offsets for foreign (including New Zealand) imputation credits (the SMSF can't claim these in Australia)
- early stage venture capital limited partnership tax offset – include these at
 - label **D1 Early stage venture capital limited partnership tax offset**, and/or
 - label **D2 Early stage venture capital limited partnership tax offset carried forward from previous year**
- early stage investor tax offset – include these at
 - label **D3 Early stage investor tax offset**, and/or
 - label **D4 Early stage investor tax offset carried forward from previous year**.

For more information, see Subsection 67-25(1A) and Division 207 of the *Income Tax Assessment Act 1997*.

C Non-refundable non-carry forward tax offsets

Write at label **C** the total of labels **C1 Foreign income tax offset** and **C2 Rebates and tax offsets**.

If you didn't write an amount at labels **C1** or **C2**, leave label **C** blank.

T2 Subtotal 1

Subtract the amount at label **C Non-refundable non-carry forward tax offsets** from label **B Gross tax**.

If the answer is:

- positive, write the answer at label **T2**
- zero or negative, write **0** (zero) at label **T2**.

If the non-refundable non-carry forward tax offsets are greater than the gross tax, the excess cannot be carried forward and is lost.

Example: calculating T2 SUBTOTAL 1 (non-refundable non-carry forward tax offsets greater than gross tax)

SMSF T2 is a complying SMSF with excess non-refundable non-carry forward tax offsets. It writes the following amounts in its SMSF annual return:

Calculation of T2 Subtotal 1 (offsets greater than gross tax)

Section D: Income tax calculation statement	Amount used in calculation \$
B Gross tax	2,000
C Non-refundable non-carry forward tax offsets	2,500
T2 Subtotal 1	0

SMSF T2 has more non-refundable non-carry forward tax offsets (\$2,500) than gross tax (\$2,000).

SMSF T2 uses its non-refundable non-carry forward tax offsets of \$2,000 to reduce its gross tax to \$0 at label **T2 Subtotal 1**.

It loses the remaining non-refundable non-carry forward tax offsets (\$500).

Example: calculating T2 SUBTOTAL 1 (non-refundable non-carry forward tax offsets less than gross tax)

SMSF T2 is a complying SMSF. Its non-refundable non-carry forward tax offsets are less than its gross tax. It writes the

following amounts in its SMSF annual return:

Calculation of T2 Subtotal 1 (offsets less than gross tax)

Section D: Income tax calculation statement	Amount used in calculation \$
B Gross tax	2,175
C Non-refundable non-carry forward tax offsets	675
T2 Subtotal 1	1,500

SMSF T2 uses its \$675 non-refundable non-carry forward tax offsets against its \$2,175 gross tax. The amount it enters at label **T2 Subtotal 1** is \$1,500 (\$2,175 – \$675).

D1, D2, D3, D4, D Non-refundable carry forward tax offsets

Non-refundable carry forward tax offsets reduce any remaining tax at label **T2 Subtotal 1**.

If the total of the non-refundable carry forward tax offsets at label **D** is greater than the remaining tax at label **T2**, the excess may be carried forward to a future income year.

If the amount at label **T2** is greater than the total of the non-refundable carry forward tax offsets at label **D**, the remaining tax is shown at label **T3 Subtotal 2**.

Write at label **D** the total of labels:

- **D1** Early stage venture capital limited partnership tax offset
- **D2** Early stage venture capital limited partnership tax offset carried forward from previous year
- **D3** Early stage investor tax offset, and

- **D4** Early stage investor tax offset carried forward from previous year.

If you didn't write an amount at labels **D1**, **D2**, **D3** or **D4**, leave label **D** blank.

The tax offsets shown at label **D** are not refundable.

D1, D2 Early stage venture capital limited partnership tax offset

An SMSF may be able to claim the early stage venture capital limited partnership (ESVCLP) tax offset if one or both of the following applies:

- it is entitled to the ESVCLP tax offset in 2023–24
- it has an amount of unused ESVCLP tax offset carried forward from a previous year.

D1 Early stage venture capital limited partnership tax offset

Is the SMSF entitled to claim an ESVCLP tax offset for contributions made during 2023–24?

- **No** – Leave label **D1** blank. Go to label **D2**.
- **Yes** – Read on.

The SMSF's 2023–24 ESVCLP tax offset is the total of its tax offsets based on the SMSF's contributions to the ESVCLP as either:

- a limited partner of the ESVCLP
- through a partnership or a trust.

The ESVCLP must have become unconditionally registered on or after 7 December 2015.

If the SMSF is a limited partner of an ESVCLP, the SMSF's tax offset is limited to 10% of the lesser of the following:

- the SMSF's total contributions to the ESVCLP during 2023–24 (certain exclusions apply)
- the SMSF's share (based on the SMSF's interest in the entire capital of the ESVCLP at the end of the current income year) of the sum of eligible venture capital investments made by the ESVCLP during

the period starting at the start of the current income year and ending 2 months after the end of the current income year.

If the SMSF is a partner in a partnership or a beneficiary of a trust which has contributed to an ESVCLP, the SMSF may be entitled to an amount of ESVCLP tax offset. A written notification will be provided by the partnership or trustee of the trust setting out the SMSF's entitlement to this tax offset. If a written notification has not been provided, contact the partnership or the trustee.

Write the total amount of the 2023–24 ESVCLP tax offset at label **D1**.

For more information on the ESVCLP tax offset and the eligibility requirements, see **ESVCLP tax incentives and concessions**.

D2 Early stage venture capital limited partnership tax offset carried forward from previous year

Does the SMSF have an amount of unused ESVCLP tax offset carried forward from a previous year?

- **No** – Leave label **D2** blank. Go to label **D3**.
- **Yes** – Read on.

To work out whether the SMSF can carry forward an amount of ESVCLP tax offset from a previous year to 2023–24, see Division 65 of the ITAA 1997.

The unused ESVCLP tax offset carried forward from a previous year may need to be adjusted for any net exempt income.

The unused ESVCLP tax offset carried forward from a previous year is reduced by 30 cents for every dollar of unused net exempt income, provided the SMSF had taxable income for that year.

Write at label **D2** the amount of unused ESVCLP tax offset carried forward from the previous year, less any reductions, if applicable.

For more information, see:

- **ESVCLP tax incentives and concessions**.
- Subdivision 61-P of the *Income Tax Assessment Act 1997*.

D3, D4 Early stage investor tax offset

An SMSF may be entitled to the early stage investor tax offset for the income year if the fund either:

- invested in an early stage innovation company during the year
- has an amount of unused early stage investor tax offset carried forward from a previous year.

The maximum offset (including current year and carried forward prior year amounts) that the fund, and its affiliates combined, can claim in 2023–24 is \$200,000.

D3 Early stage investor tax offset

Is the SMSF entitled to claim an early stage investor tax offset in 2023–24?

- **No** – Leave label **D3** blank. Go to label **D4**.
- **Yes** – Read on.

Steps to calculate the early stage investor tax offset

Step 1: Work out the total amount the SMSF paid for eligible shares in early stage innovation companies in 2023–24.

If the requirements of the 'sophisticated investor' test under the *Corporations Act 2001* are not met for at least one of the investments in an early stage innovation company during 2023–24 the step 1 amount must not exceed \$50,000. If the step 1 amount exceeds \$50,000 the SMSF can't claim this offset.

Step 2: Multiply the step 1 amount by 20%.

Step 3: Identify the SMSF's entitlements to any early stage investor tax offsets as a beneficiary of a trust or a partner in a partnership that has invested in an early stage innovation company in 2023–24.

If the SMSF is a partner in a partnership or a beneficiary of a trust which has invested in an early stage innovation company during 2023–24, the SMSF may be entitled to an early stage investor tax offset. A written notification will be provided by the partnership or trustee of the trust setting out the SMSF's entitlement to this tax offset. If a written notification has not been provided, contact the partnership or the trustee.

Step 4: Add together the amounts at step 2 and step 3. This is the step 4 amount.

Step 5: Subtract from \$200,000 the amount (if any) reported at label **D4 Early stage investor tax offset carried forward from previous year**. This result is the step 5 amount.

Step 6: If the step 4 amount is equal to or less than the step 5 amount, write the step 4 amount at label **D3**.

If the step 4 amount is greater than the step 5 amount, write the step 5 amount at label **D3**.

The amount reported at label **D3** may need to be further reduced if any of the SMSF's affiliates are entitled to the early stage investor tax offset (whether for investments they made in 2023–24 or carried forward from a previous year).

The maximum offset (including current year and carried forward prior year amounts) that the SMSF, and its affiliates combined, can claim in 2023–24 is \$200,000.

D4 Early stage investor tax offset carried forward from previous year

Does the SMSF have an amount of unused early stage investor tax offset carried forward from a previous year?

- **No** – Leave label **D4** blank. Go to label **D**.
- **Yes** – Read on.

To work out whether the SMSF can carry forward an amount of the early stage investor tax offset from a previous year to 2023–24, see **Division 65** of the *Income Tax Assessment Act 1997*.

The unused early stage investor offset carried forward from a previous year may need to be adjusted for any net exempt income.

The unused early stage investor tax offset carried forward from a previous year is reduced by 30c for every dollar of unused net exempt income, provided the SMSF had taxable income for that year.

Write at label **D4** the amount of unused early stage investor tax offset carried forward from the previous year, less any reductions, if applicable.

Example: calculating early stage investor tax offset

The Retiresoon SMSF has a carried forward early stage investor tax offset of \$60,000 from 2022–23.

In 2023–24, the Retiresoon SMSF invested \$500,000 in eligible shares in one early stage innovation company, and \$250,000 in another. The Retiresoon SMSF meets the requirements of the sophisticated investor test.

The Retiresoon SMSF has gross tax of \$180,000 at label **B**, no amounts at label **C** (non-refundable non-carry forward offsets) and no exempt income.

The amount that the Retiresoon SMSF writes at label **D4** is \$60,000. It calculates the amount reported at label **D3** as:

Step 1: The total amount paid for eligible shares the early stage innovation companies in 2022–23 = \$750,000.

Step 2: Multiply step 1 amount (\$750,000) by 20% = \$150,000.

Step 3: Nil – The Retiresoon SMSF has no early stage investor entitlements via trusts or partnerships.

Step 4: The Retiresoon SMSF adds the amounts from steps 2 and 3. The result is \$150,000.

Step 5: The Retiresoon SMSF subtracts the amount at label **D4**, \$60,000, from \$200,000. The result is \$140,000.

Step 6: As the step 4 amount (\$150,000) is greater than the step 5 amount (\$140,000), the Retiresoon SMSF writes \$140,000 at label **D3**.

The Retiresoon SMSF can claim an early stage investor tax offset equal to the sum of the label **D4** and **D3** amounts (\$60,000 plus \$140,000, totalling \$200,000). Although the carried forward tax offset from 2022–23 (\$60,000) and the current year tax offset of \$150,000 (step 4 amount) equals \$210,000, the Retiresoon SMSF's total tax offset is capped at \$200,000 for 2023–24. The unused excess of \$10,000 cannot be carried forward to future income years.

As the Retiresoon SMSF's entitlement to the tax offset (\$200,000) is greater than its gross tax payable (\$180,000), the

unused portion of the offset (\$20,000) may be carried forward to future income years (subject to the rules in Division 65).

For more information on the early stage investor tax offset and the eligibility requirements, see [Tax incentives for early stage investors](#).

For more information, see:

- Division 65 of the *Income Tax Assessment Act 1997*
- Subdivision 360-A of the *Income Tax Assessment Act 1997*.

T3 Subtotal 2

Subtract the amount at label **D Non-refundable carry forward tax offsets** from label **T2 Subtotal 1**.

If the answer is:

- positive, write the answer at label **T3**
- zero or negative, write **0** (zero) at label **T3**.

If the non-refundable carry forward tax offsets are greater than the subtotal at label **T2**, the excess may be carried forward and applied in a later income year.

Example: calculating T3 Subtotal 2 (non-refundable carry forward tax offsets greater than T2 Subtotal 1)

SMSF T3 is a complying SMSF with excess non-refundable carry forward tax offsets. It writes the following amounts in its SMSF annual return:

Calculation of T3 Subtotal (offsets greater than amount at T2 Subtotal 1)

Section D: Income tax calculation statement	Amount used in calculation \$
T2 Subtotal 1	2,000

D Non-refundable carry forward tax offsets	2,500
T3 Subtotal	0

SMSF T3 has more non-refundable carry forward tax offsets (\$2,500) than its label **T2 Subtotal 1** (\$2,000).

SMSF T3 uses its non-refundable carry forward tax offset of \$2,000 to reduce its label **T2 Subtotal 1** to \$0 at label **T3 Subtotal**. It may carry forward the remaining non-refundable carry forward tax offset (\$500) to the next income year.

Example: calculating T3 Subtotal (non-refundable carry forward tax offsets less than amount at T2 Subtotal 1)

SMSF T3 is a complying SMSF. Its non-refundable carry forward tax offsets are less than its label **T2 Subtotal 1**. It writes the following amounts in its SMSF annual return.

Calculation of T3 Subtotal (offsets less than amount at T2 Subtotal 1)

Section D: Income tax calculation statement	Amount used in calculation \$
T2 Subtotal 1	2,175
D Non-refundable carry forward tax offsets	675
T3 Subtotal	1,500

SMSF T3 uses its \$675 non-refundable carry forward tax offsets against its \$2,175 label **T2 Subtotal 1**. The amount it enters at label **T3 Subtotal** is \$1,500 (\$2,175 – \$675).

E1, E2, E3 E4 and E Refundable tax offsets questions

If the SMSF is entitled to any **refundable tax offsets**, the offsets reduce any remaining tax at label **T3 Subtotal**.

If the amount of **refundable tax offsets** exceeds the remaining tax at label **T3**, show the excess at label **I Tax offset refunds**.

If the amount of refundable tax offsets is less than the remaining tax at label **T3** the shortfall becomes the tax payable amount at label **T5**.

E1 Complying fund's franking credits tax offset

For details on entitlement to a franking credits tax offset, see [Entitlement to franking credits tax offset](#).

Is the SMSF entitled to a complying fund's franking credits tax offset?

- **No** – Leave label **E1** blank. Go to label **E2**.
- **Yes** – Read on.

Write the franking credits tax offsets at label **E1**.

You must also include the franking credits as income at the appropriate question in Section **B**.

Include at label **E1** Australian franking credits that are attached to:

- dividends and non-share dividends including where they are **exempt current pension income**
- a New Zealand franking company's
 - franked non-share dividends, and
 - assessable franked dividends.

Don't include:

- franking credits if the SMSF is non-complying (include these at label **C2 rebates and tax offsets**)
- credits that you included at label **C1 Foreign income tax offset**
- franking credits attributable to a dividend that is excluded from assessable income because family trust distribution tax has been paid

- New Zealand imputation credits (an Australian resident can't claim New Zealand imputation credits).

For more information, see **Section 67-25** and **Division 207** of the *Income Tax Assessment Act 1997*.

E2 No-TFN tax offset

An SMSF is entitled to a no-TFN tax offset in 2023–24 if:

- it was required to pay extra tax on no-TFN-quoted contributions in any of the previous 3 income years, and
- the no-TFN-quoted contributions were for a member who gave their TFN to the SMSF for the first time in 2023–24.

Is the SMSF entitled to a no-TFN tax offset?

- **No** – Leave label **E2** blank. Go to label **E3**.
- **Yes** – Read on.

Write the no-TFN tax offset at label **E2**.

The amount of no-TFN tax offset that the SMSF can claim is the total of the additional no-TFN-quoted contributions tax (see [J Tax on no-TFN-quoted contributions](#)) that the SMSF was required to pay:

- in any of the 3 previous income years
- for members who gave their TFN to the SMSF for the first time in 2023–24.

Because SMSF members are generally either trustees of the SMSF, or directors of a corporate trustee, it is very rare for an SMSF to pay no-TFN-quoted contributions tax, and therefore very rare for SMSFs to be entitled to a no-TFN tax offset. Penalties may apply if you claim a no-TFN tax offset that the SMSF is not entitled to.

For more information, see **Section 67-23** and **Subdivision 295-J** of the *Income Tax Assessment Act 1997*.

Example: entitlement to a no-TFN tax offset

SMSF E2 received \$10,000 assessable contributions for Julie, a member, during 2022–23. Julie had not provided the SMSF with her TFN by 30 June 2023. In the SMSF 2022–23 annual return

the SMSF reported Julie's \$10,000 contribution as a no-TFN-quoted contribution. It paid additional tax of \$3,400 on the no-TFN-quoted contributions.

Julie provided her TFN to SMSF E2 on 30 September 2023.

SMSF E2 is entitled to claim a no-TFN tax offset for the additional no-TFN-quoted contributions tax of \$3,400 paid for 2022–23.

SMSF E2 writes \$3,400 at label **E2 No-TFN tax offset** in its 2023–24 annual return.

E3 National rental affordability scheme tax offset

Is the SMSF entitled to a national rental affordability scheme (NRAS) tax offset?

- **No** – Leave label **E3** blank. Go to label **E4**.
- **Yes** – Read on.

Write the NRAS tax offset at label **E3**.

The refundable tax offset is only available when the Secretary of the Department of Social Services has issued a certificate under the NRAS. In order to claim the tax offset in the 2023–24 SMSF annual return, the NRAS certificate must relate to the NRAS year 1 May 2023 to 30 April 2024.

For more information, see:

- National rental affordability scheme – taxation issues
- Section 67-23 and Division 380 of the *Income Tax Assessment Act 1997*.

E4 Exploration credit tax offset

Is the SMSF entitled to an exploration credit tax offset?

- **No** – Leave label **E4** blank. Go to label **E**.
- **Yes** – Read on.

Write the exploration credit tax offset at label **E4**.

An SMSF may be entitled to a tax offset for exploration credits received during the income year if it was an Australian resident for the

whole of the income year.

The amount of the tax offset is the total value of exploration credits the SMSF received in the income year. However, special rules may apply where the SMSF has received exploration credits from a partnership or a trust.

For more information, see:

- Exploration Development Incentive
- Junior Minerals Exploration Incentive
- Division 418 of the *Income Tax Assessment Act 1997*.

E Refundable tax offsets

Write at label **E** the total of labels:

- **E1 Complying fund's franking credits tax offset**
- **E2 No-TFN tax offset**
- **E3 National rental affordability scheme tax offset**
- **E4 Exploration credit tax offset.**

The tax offsets reduce the tax that remains at label **T3 Subtotal**. If the amount of **refundable tax offsets** at label **E**:

- is less than the tax at label **T3**, the shortfall becomes the SMSF's tax payable amount at label **T5 Tax payable**
- is greater than the tax at label **T3**, show the excess at label **I Tax offset refunds**.

T5 Tax payable

Label **T5** is mandatory. If you leave label **T5** blank, you will have specified a zero amount.

Is the amount at T3 Subtotal more than the amount at E Refundable tax offsets?

- **No** – Write **0** (zero) at label **T5**.

Subtract the amount at label **T3 Subtotal** from label **E Refundable tax offsets**.

Write the result at label **I Tax offset refunds**.

- **Yes** – Subtract the amount at label **E Refundable tax offsets** from label **T3 Subtotal**.

Write the result at label **T5**.

Example: calculating T5 Tax payable (refundable tax offsets less than T3)

SMSF T5 has no excess refundable tax offsets. It writes the following amounts in its SMSF annual return:

Calculation of T5 Tax payable (refundable offsets less than T3)

Calculation of T5 Tax payable (refundable offsets less than T3)

Section D: Income tax calculation statement	Amount used in calculation \$
T3 Subtotal	1,500
E Refundable tax offsets	500
T5 Tax payable	1,000
I Tax offset refunds	0

SMSF T5 subtracts the \$500 refundable tax offsets from its label **T3 Subtotal** of \$1,500. The amount at label **T5 Tax payable** is \$1,000 (that is, \$1,500 – \$500).

Example: calculating T5 Tax payable (refundable tax offsets greater than T3)

SMSF T5 writes the following amounts in its SMSF annual return:
Calculation of T5 Tax payable (refundable offsets greater than T3)

Calculation of T5 Tax payable (refundable offsets greater than T3)

Section D: Income tax calculation statement	Amount used in calculation \$
T3 Subtotal	1,500
E Refundable tax offsets	2,000
T5 Tax payable	0
I Tax offset refunds	500

SMSF T5 has more refundable tax offsets (\$2,000) than tax (label **T3 Subtotal** \$1,500).

SMSF T5 uses the refundable tax offsets of \$2,000 to reduce the tax to \$0, which it writes at label **T5 Tax payable**.

SMSF T5 writes the remaining refundable tax offset (\$500) at label **I Tax offset refunds** and this is available as a credit amount in the overall calculation.

G Section 102AAM interest charge

An interest charge is imposed on certain distributions from non-resident trusts under Section 102AAM of the *Income Tax Assessment Act 1936*.

Is the SMSF required to pay a Section 102AAM interest charge?

- **No** – Leave label **G** blank.
- **Yes** – Write at label **G** the Section 102AAM interest charge that the SMSF is required to pay.

H2, H3, H5, H6, H8 and H Eligible credit questions

If the SMSF is entitled to any credits for tax or TFN amounts withheld or for interest, the total eligible credits are available as a credit amount in the overall calculation. If the amount of eligible credits exceeds the tax payable and the levy amount then the SMSF may be entitled to a refund of the excess.

H2 Credit for tax withheld – foreign resident withholding

Is the SMSF entitled to a credit for tax withheld through foreign resident withholding in Australia?

- **No** – Leave label **H2** blank. Go to label **H3**.
- **Yes** – Read on.

Don't include credits for amounts withheld from foreign resident capital gains withholding at label **H2**. Include these at label **H8 Credit for amounts withheld from foreign resident capital gains withholding**.

Write at label **H2** the total amount of tax withheld from payments to the SMSF that were subject to foreign resident withholding in Australia. Include at label **H2** the SMSF's share of foreign resident withholding credits distributed to the SMSF from a partnership or included in a share of net income from a trust.

If a payer has withheld tax for foreign resident withholding from a payment to the SMSF, the payer must give the SMSF a payment summary that shows how much the payer withheld from its payments to the SMSF.

If you claim a credit at label **H2**:

- you must include the corresponding gross payment at the appropriate item in Section **B**
- you must complete a **Non-individual PAYG payment summary schedule 2024**.

The SMSF is entitled to a credit at label **H2** only if the amount was both:

- withheld in Australia
- remitted to us.

For more information, see **PAYG withholding**.

H3 Credit for tax withheld – where ABN or TFN not quoted (non-individual)

Is the SMSF entitled to credits for tax withheld where it didn't quote its Australian business number (ABN) or tax file number (TFN)?

- **No** – Leave label **H3** blank. Go to label **H5**.
- **Yes** – Read on.

Write at label **H3** the total tax withheld from payments to the SMSF because the SMSF had not quoted its ABN or TFN.

If a payer has withheld tax from a payment to the SMSF because the SMSF didn't quote its ABN or TFN, the payer must give the SMSF a payment summary that shows how much tax was withheld.

Don't include at label **H3**:

- contributions that the SMSF received for a member who has not quoted their TFN (include these at Section **B**, item **11** – label **R3 No-TFN-quoted contributions**)
- amounts withheld from payments because the SMSF did not provide its TFN to the trustee of a closely held trust (include these at label **H5**).

If you claim a credit at label **H3**:

- you must include the corresponding gross payment at the appropriate item in Section **B**
- complete a Non-individual PAYG payment summary schedule 2024.

For more information, see PAYG withholding.

H5 Credit for TFN amounts withheld from payments from closely held trusts

Is the SMSF entitled to credits for TFN amounts withheld from payments from closely held trusts?

- **No** – Leave label **H5** blank. Go to label **H6**.
- **Yes** – Read on.

Write at label **H5** the total tax withheld from payments where the SMSF has not provided its TFN to the trustee of a closely held trust and the payment is subject to the TFN withholding rules.

If a closely held trust has withheld tax from a payment to the SMSF because the SMSF didn't provide its TFN, the closely held trust must give the SMSF a payment summary that specifies how much it withheld from its payments to the SMSF.

If you claim a credit at label **H5**:

- the corresponding gross payment must be included at the appropriate item in Section **B**)
- you must complete a **Non-individual PAYG payment summary schedule 2024**.

For more information, see **TFN withholding for closely held trusts**.

H6 Credit for interest on no-TFN tax offset

Is the SMSF entitled to interest on no-TFN tax offsets?

If the SMSF has not claimed a no-TFN tax offset at label **E2**, it can't claim a credit at label **H6**.

- **No** – Leave label **H6** blank. Go to label **H8**.
- **Yes** – Read on.

Write at label **H6** the total calculated interest amount of 50c or more for interest payable on the no-TFN tax offset claimed at label **E2 No-TFN tax offset**. Don't include no-TFN tax offsets at label **H6** (include these offsets at label **E2 No-TFN tax offset**).

Interest on the no-TFN tax offset is only payable if all the following occurred:

- the member of the SMSF provided their TFN to their employer before the end of a past income year
- the employer was required by **Section 299C** of the *Superannuation Industry (Supervision) Act 1993* (SISA) to inform the SMSF of the individual's TFN by the end of the year, but did not do so
- contributions made for that member were no-TFN-quoted contributions in that past income year and the SMSF was required to pay additional tax (which is the interest bearing tax) on those contributions
- the SMSF claimed a no-TFN tax offset in 2023–24 for the additional tax paid on those no-TFN-quoted contributions in a past income

year

- the no-TFN tax offset is applied when assessing the SMSF for 2023–24.

The rate of interest payable on the interest-bearing tax is the base interest rate determined under **Section 8AAD** of the *Taxation Administration Act 1953* (TAA).

Keep a record of the amount of interest payable on tax that counts towards the no-TFN tax offset. This interest is assessable income of the SMSF in the income year in which it is paid to the SMSF or credited against another SMSF liability.

For more information, see [Interest on no-TFN quoted tax offset](#).

H8 Credit for amounts withheld from foreign resident capital gains withholding

Is the SMSF entitled to a credit for tax withheld through foreign resident capital gains withholding in Australia?

- **No** – Leave label **H8** blank. Go to label **H**.
- **Yes** – Read on.

Write at label **H8** the total amount of tax withheld from payments to the SMSF that were subject to foreign resident capital gains withholding in Australia. Include at label **H8** the SMSF's share of foreign resident capital gains withholding credits distributed to the SMSF from its share of net income from a trust.

You should only claim at label **H8** a credit equal to the amount of foreign resident capital gains withholding paid by a purchaser to the ATO on your behalf. The ATO would have issued you with confirmation of this amount.

Don't include credits for amounts withheld from foreign resident withholding at label **H8**. Include these at label **H2 Credit for tax withheld – foreign resident withholding**.

For more information, see [Capital gains withholding: Impacts on foreign and Australian residents](#).

H Eligible credits

Is there an amount at label:

- H2 Credit for tax withheld – foreign resident withholding
- H3 Credit for tax withheld – where ABN or TFN not quoted (non-individual)
- H5 Credit for TFN amounts withheld from payments from closely held trusts
- H6 Credit for interest on no-TFN tax offset
- H8 Credit for amounts withheld from foreign resident capital gains withholding?

If you answered:

- **No** – Leave label **H** blank.
- **Yes** – Write at label **H** the total of the amounts at labels **H2**, **H3**, **H5**, **H6** and **H8**.

I Tax offset refunds

Is the amount at **T3 Subtotal** less than the amount at **E Refundable tax offsets**?

- **No** – Write **0** (zero) at label **I**. Go to label **K**.
- **Yes** – Read on.

Subtract the amount at label **T3 Subtotal** from label **E Refundable tax offsets**. Write the result at label **I**.

See the examples at [T5 Tax payable](#) showing the calculation of label **I Tax offset refunds**.

Label **T5** is mandatory. If you leave label **T5** blank, you will have specified a zero amount.

K PAYG instalments raised

Did the SMSF pay, or was it required to pay, PAYG instalments for 2023–24?

- **No** – Leave label **K** blank. Go to label **L**.
- **Yes** – Read on.

Write at label **K** the total of the SMSF's PAYG instalments for 2023–24, whether or not the PAYG instalments have actually been paid.

You can find the SMSF's PAYG instalment amounts on its activity statements.

If the SMSF used the instalment amounts worked out by us, its PAYG instalment amounts were pre-printed at either label:

- **T7** on the SMSF's quarterly activity statements
- **T5** on the annual instalment activity statement.

If the SMSF didn't use the instalment amounts worked out by us, work out its PAYG instalment amounts by subtracting the credits claimed at label **5B** from the amounts reported at label **5A** on its activity statements.

To ensure the SMSF receives the correct amount of credit for its PAYG instalments, make sure all of its activity statements are finalised before lodging the annual return. If the SMSF is required to lodge its activity statements, it should do so even if it can't pay on time, or has nothing to pay.

The SMSF is entitled to a credit for its PAYG instalments even if it has not actually paid a particular instalment. However, the SMSF will be liable for the general interest charge on any outstanding instalment for the period from the due date for that instalment until the date it is fully paid.

You must exclude the SMSF's **exempt current pension income** from the amount you write at label **T1 PAYG instalment income** on the PAYG activity statement if you use the instalment rate method to calculate your SMSF's PAYG instalments. See **PAYG instalments**.

L, M and N Supervisory levy

Labels **L**, **M** and **N** are used to calculate the amount of SMSF supervisory levy that the SMSF must pay with the 2024 SMSF annual return. The amount that you must write at each of these items depends on whether the SMSF was:

- an existing SMSF at the start of 2023–24 and was not wound up in 2023–24
- a newly registered SMSF in 2023–24 and its first SMSF annual return is for 2023–24
- wound up during 2023–24
- both newly registered and wound up during 2023–24.

Table 9 shows the amounts you must write at labels **M** and **N**. Label **L** is already completed.

Table 9: Supervisory levy amounts

Type of SMSF	Amount at L \$	Amount at M \$	Amount at N \$	Net amount (L-M+N) \$
Existing SMSF that was not wound up in 2023–24	259	0 or blank	0 or blank	259
Newly registered SMSF in 2023–24 that was not wound up in 2023–24	259	0 or blank	259	518
Newly registered SMSF in 2023–24 that was wound up in 2023–24	259	0 or blank	0 or blank	259
Existing SMSF that was wound up in 2023–24	259	259	0 or blank	0

L Supervisory levy

Label **L** shows the amount of supervisory levy due for 2024–25 (\$259). Don't change the amount printed on the annual return.

The supervisory levy is included in the SMSF's tax assessment calculation and is to be paid with its income tax liability. The levy is payable even if the SMSF has no tax liability 2023–24.

For more information, see [Superannuation \(Self-Managed Superannuation Funds\) Supervisory Levy Imposition Act 1991](#) [↗](#).

M Supervisory levy adjustment for wound up funds

Was the SMSF wound up in 2023–24?

- **No** – Leave label **M** blank. Go to label **N**.
- **Yes** – Write \$259.00 at label **M**. Make sure you answered **Yes** in Section **A**, item **9 Was the fund wound up during the income year?**

An SMSF which was wound up during 2023–24 does not pay the SMSF supervisory levy for 2024–25. Writing \$259 at label **M** reduces the levy payable by \$259 since the amount that you write at label **M** will be subtracted when you calculate label **S Amount due or refundable**.

N Supervisory levy adjustment for new funds

Is this the first annual return for a newly registered SMSF?

- **No** – Leave label **N** blank. Go to label **S**.
- **Yes** – Write \$259.00 at label **N**. Make sure you answered **Yes** to Section **A**, item **5** – label **B Is this the first required return for a newly registered SMSF?**

The amount at label **N** is the SMSF supervisory levy for 2023–24. SMSFs that are lodging their first annual return have not paid this amount previously while the other SMSFs paid the SMSF supervisory levy for 2023–24 with their 2023 SMSF annual return.

For more information, see SMSF supervisory levy.

S Amount due or refundable

To work out label **S**:

- add labels
 - **T5 Tax payable**

- **G Section 102AAM interest charge**
- **L Supervisory levy**
- **N Supervisory levy adjustment for new funds**
- and then subtract labels
 - **H Eligible credits**
 - **I Tax offset refunds**
 - **K PAYG instalments raised**
 - **M Supervisory levy adjustment for wound up funds.**

Label **S Amount due or refundable** can be zero, positive or negative:

- a positive amount is what you must pay to us
- a negative amount is the refund that you will receive.

If the amount at label **S** is negative, write a minus sign (–) to the left of the amount that you printed at label **S**.

If the amount at label **S** is negative, complete Section **A**, item **7 Electronic funds transfer (EFT)** to receive the refund.

If the SMSF has made any interim or voluntary payments against its 2023–24 tax liability:

- don't take the payments into account when working out the amount at label **S**
- take the payments into account when working out the amount you must pay to us.

Don't attach any payment to the annual return. For more information, see **Payment**.

Record keeping

The SMSF must keep:

- all documentation issued by financial institutions detailing
 - payments of income
 - any TFN amounts deducted from those payments
- details of any TFN amounts deducted from the SMSF's income payments and subsequently refunded to the SMSF by the financial

institution.

Where an amount is refunded the SMSF must keep details of the:

- amount of refund
- date of refund
- investment reference number, for example, the bank account number of the investment relating to the refund.

Continue to: **Section E: Losses – item 14**

Return to: **Instructions to complete your SMSF annual return 2024**

QC 101714

Section E: Losses – item 14

Complete this section if the SMSF has tax losses or capital losses to carry forward to later income years.

Published 30 May 2024

Section E and the losses schedule

You don't need to complete Section E if the SMSF has no tax losses or capital losses to carry forward to later income years.

In addition to recording losses in Section E, complete a **Losses schedule 2024** and attach it to the annual return if the SMSF has either:

- a combined total for tax losses and net capital losses carried forward to later income years of greater than \$100,000
- an interest in a controlled foreign company (CFC) that has
 - 2023–24 losses greater than \$100,000, or
 - deducted or carried forward to later income years a loss greater than \$100,000.

Don't show cents for any amount you write in this section.

14 Losses

In this section, complete labels:

- [U Tax losses carried forward to later income years](#)
- [V Net capital losses carried forward to later income years](#)

U Tax losses carried forward to later income years

Does the SMSF have tax losses to be carried forward to later income years?

- **No** – Leave label **U** blank. Go to label **V**.
- **Yes** – Read on.

Write at label **U** the total tax losses incurred by the SMSF that are to be carried forward to later income years. The amount is the total of both:

- the SMSF's tax loss for 2023–24
- the SMSF's prior year tax losses to the extent that they have not previously been utilised.

The SMSF's 2023–24 net exempt income, if any, is taken into account to calculate the amount of its tax loss for 2023–24.

If the SMSF's 2023–24 net exempt income is greater than the amount by which the SMSF's deductions (not including prior year tax losses) exceed its assessable income in 2023–24, the SMSF's 2023–24 tax loss will be nil and the surplus net exempt income will reduce prior year losses.

If you lodge a *Losses schedule 2024*, the amount at label **U Tax losses carried forward to later income years** on that schedule (item **1** in part **A**) must be the same as the amount at label **U**, Section E on the annual return.

Don't include:

- a loss at label **U** if you wrote a positive amount at Section **C**, item **12**
– label **O Taxable income or loss**

- net capital losses to be carried forward to later income years at label **U**; include these at label **V Net capital losses carried forward to later income years** and in the CGT schedule (if a schedule is required)
- losses that relate to **non-arm's length income**. Losses that relate to non-arm's length income cannot be applied against the SMSF's **arm's length income**. You should keep a record of losses that relate to non-arm's length income with the SMSF's tax records.

For more information, see:

- **Losses**
- Sections 36-15 and 960-20 of the *Income Tax Assessment Act 1997*.

Tax losses and record keeping

If the SMSF incurred tax losses, it may need to keep records for longer than 5 years from the date it incurred the losses.

Generally, you can carry forward tax losses indefinitely until they are applied by recoupment. When applied, the loss amount is a figure that is included in the calculation of the SMSF's taxable income in that year.

It is in the SMSF's interest to keep records substantiating its 2023–24 losses until the amendment period for the assessment in which the losses are applied has lapsed (in most cases up to 4 years from the date of that assessment).

For more information, see:

- **Record-keeping requirements**
- Taxation Determination TD 2007/2 *Income tax: should a taxpayer who has incurred a tax loss or made a net capital loss for an income year retain records relevant to the ascertainment of that loss only for the record retention period prescribed under income tax law?*

V Net capital losses carried forward to later income years

Does the SMSF have net capital losses to carry forward to later income years?

- **No** – Leave label **V** blank. Go to sections **F** and **G**.

- **Yes** – Read on.

Write at label **V** the total of any unapplied net capital losses from collectables and unapplied net capital losses from all other CGT assets and events.

If this item applies to the SMSF you must refer to the **Guide to capital gains tax 2024** to complete this item. It also explains the special CGT rules that apply to foreign residents and trustees of foreign trusts.

This information is calculated or transferred from:

- **3B** in Table 5 and **3A** in Table 9 of the *CGT summary worksheet*
- label **A** and **B** at item **3** of the *CGT schedule*, if one is required.

You can't include a loss at label **V** if you wrote an amount at Section **B**, item **11** – label **A Net capital gain**.

If the SMSF must lodge a *Losses schedule 2024*, the amount on that schedule at Part **A**, item **2** – label **V Net capital losses carried forward to later income years** must be the same as the amount at label **V** here on this annual return.

For more information, see **Guide to capital gains tax 2024**.

Continue to: **Sections F and G: Member information and Supplementary member information**

Return to: **Instructions to complete your SMSF annual return 2024**

QC 101714

Sections F and G: Member information and supplementary member information

Complete Section F or G for the SMSF members to report contributions, other transactions, and accounts balances.

Published 30 May 2024

How to complete Section F and G

Report contributions, other transactions, and account balances for each of the SMSF's members:

- in Section **F**, for those who had an account on 30 June 2024
- in Section **G**, for those who left the SMSF during 2023–24.

Each page in Section **F** and Section **G** is a statement of the transactions on a member's account in 2023–24.

Complete a separate page in either Section **F** or Section **G** for every person that was a member of the SMSF during 2023–24.

If a member has multiple accounts, combine them so that each member has only one statement in either Section **F** or Section **G**.

Each member's opening account balance (at 1 July 2023) should equal their closing account balance in the prior year (at 30 June 2023). The closing balance (at 30 June 2024) should reflect the value of the member's actual interest in the SMSF. The amounts that you record in Section **F** and Section **G** summarise all the transactions that affect that balance.

Section **G** has the same information as Section **F** plus 2 additional questions:

- the account status code box
- the date of death for deceased members.

Who do you include in Section F and Section G?

In Section **F**, include anyone who was a member of the SMSF on 30 June 2024, even if the SMSF either:

- paid them an income stream during 2023–24
- received no contributions for them during 2023–24.

The total of the amounts you show at labels **S1**, **S2** and **S3** must equal the **Closing account balance** at label **S**.

For retirement phase accounts:

- label **S2** is the closing account balance of non-capped defined benefit income streams (NCDBIS) such as account based pensions and annuities
- label **S3** is the closing account balance of capped defined benefit income streams (CDBIS) such as lifetime pensions and annuities and life expectancy pensions and annuities.

Complete a Transfer balance account report (TBAR) if a SMSF member had a transfer balance account event such as:

- taking a lump sum payment from their retirement phase account
- starting a new retirement phase superannuation income stream
- commuting and rolling over a retirement phase superannuation income stream to another superannuation fund.

For more information on the events you need to report, see **What and when to report**.

In Section **G**, include anyone who was a member of the SMSF at any time during 2023–24, but is not a member on 30 June 2024. This could include:

- deceased members (even if there was money in their account on 30 June 2024)
- former members who left the SMSF by rolling out all their benefits
- former members who left the SMSF by being paid all of their benefits as a super lump sum or the final payment of an income stream.

If the SMSF has more than 6 members on 30 June 2024:

- the SMSF has breached superannuation law (see the **self-managed superannuation fund** definition)
- include in Section **G** the members whom you cannot include in Section **F** due to lack of space.

Example: deciding where to report members – Section F or Section G?

On 1 July 2023, there were 4 members in an SMSF: Mary, Michael, Sara and Angelo.

Mary left on 1 May 2024 when she rolled over all her entitlements to another fund.

Michael left on 27 May 2024 when he was paid out all his entitlements as a super lump sum.

Two new members, Ari and Jess, joined the SMSF on 1 June 2024. The SMSF received contributions for them in June 2024.

The SMSF must report all 6 members in the SMSF annual return 2024:

- Sara, Angelo, Ari and Jess were members on 30 June 2024, so they are reported in Section **F**.
- Ari and Jess had received employer contributions from a non-related employer in 2023–24, the SMSF financial institution details and ESA alias are reported in Section **A**.
- Mary and Michael were members for part of 2023–24 but were not members on 30 June 2024, so they are reported in Section **G**.

Our use of information in Section F and Section G

We use the information in Section **F** and Section **G** to:

- determine members' entitlements to the **super co-contribution** and **government super contributions**
- make a determination or assessment of **excess contributions** for members
- assess **Division 293 tax** for members
- check **superannuation guarantee** compliance of employers.

We don't use the information in Sections **F** and **G** to update other SMSF records. Complete a Change of details form, **NAT 3036**, to update all other records.

Member information

Print **X** in the appropriate box for the member's title, or write a different title using the boxes at **Other**.

Write the member's:

- family name
- first given name
- other given names
- tax file number (TFN)
- date of birth.

The *Taxation Administration Act 1953* authorises us to request the member's TFN. We will use the TFN to identify the member in our records. It is not an offence not to provide the TFN. However, if you don't provide the TFN, there may be a delay in processing the SMSF annual return. For more information, see **Your privacy**.

Make sure you write the member's TFN, not the SMSF's TFN or a tax agent number (TAN) which also are 9 digit numbers.

For members reported in Section G, you also:

- write the **date of death**, if the member died during 2023–24
- print the **account status code** (from **Table 10: Account status codes**) in the **Account status code box**.

Table 10: Account status codes

Code	Account status
O	The member's account was open on 30 June 2024, and the SMSF will accept payments from us.
C	The former member's account was closed at 30 June 2024, and the SMSF will not accept payments from us.

Example: reporting account status

On 1 July 2023, an SMSF had 4 members: Mark, his 2 daughters and a son-in-law.

Mark was retired and received a pension from the SMSF. Mark died in June 2024. The SMSF ceased pension payments but, by 30 June 2024, had not paid Mark's remaining interest in the SMSF as death benefits.

In the SMSF annual return, Mark's contribution information and account balance are reported at Section **G** with account status code **O**. All other members' information is reported at Section **F**.

Contributions questions

In this section, complete labels:

- [Opening account balance](#)
- [Contributions](#)
- [A Employer contributions](#)
- [Members with a defined benefit interest](#)
- [A1 ABN of principal employer](#)
- [B Personal contributions](#)
- [C CGT small business retirement exemption](#)
- [D CGT small business 15-year exemption amount](#)
- [E Personal injury election](#)
- [F Spouse and child contributions](#)
- [G Other third party contributions](#)
- [H Proceeds from primary residence disposal](#)
- [H1 Receipt date](#)
- [I and J Foreign superannuation fund amounts](#)
- [I Assessable foreign superannuation fund amount](#)
- [J Non-assessable foreign superannuation fund amount](#)
- [K and L Transfers from reserves](#)

- [K Transfer from reserve: assessable amount](#)
- [L Transfer from reserve: non-assessable amount](#)
- [Transfers from reserves that are not included at K or L](#)
- [T Contributions from non-complying funds and previously non-complying funds](#)
- [M Any other contributions](#)
- [N Total contributions](#)

Opening account balance

Write the member's opening account balance at 1 July 2023.

The opening account balance is either:

- the 2022–23 closing account balance
- zero if the member joined the fund in 2023–24.

Contributions

Print at labels **A** to **M** the gross total of the **contributions** received by the SMSF in 2023–24 for each member.

Don't reduce the amount that you write at labels **A** to **M** by (for example) allowances for taxes and fees.

Include contributions that the SMSF received in 2023–24 even if:

- some or all of those contributions had been
 - transferred or rolled over to another fund in 2023–24
 - paid to the member as a super lump sum or income stream in 2023–24
- the SMSF was wound up in 2023–24.

Don't include amounts credited to accounts but not yet received by 30 June 2024. Declare all amounts received after 30 June 2024 in the annual return for the year in which the SMSF actually received the contribution.

If you received a contribution in one financial year and chose not to allocate it until the following financial year, there are reporting requirements for both trustees and members in relation to the cap on

excess concessional contributions. Before completing your annual return, see **Request to adjust concessional contributions**.

You must write contributions amounts at the correct items so we can determine your members' eligibility for super co-contributions or low income super amounts, and accurately determine your member's excess concessional contributions, excess non-concessional contributions and liability for Division 293 tax.

For more information, see Taxation Ruling **TR 2010/1** *Income tax: superannuation contributions*.

A Employer contributions

Employer contributions include:

- contributions made by an employer for an employee (including contributions made under a salary sacrifice arrangement or to meet the employer's obligations under the super guarantee, awards, agreements or other obligations)
- super guarantee charge shortfall amounts
- employer contributions transferred from our (the ATO's) super holding accounts special account (SHA special account).

Did the SMSF receive employer contributions for the member?

- **No** – Leave label **A** blank. Go to label **B**.
- **Yes** – Read on.

Complete labels **A** and **A1**.

Write at label **A** the total value of employer contributions made for the member in 2023–24. Don't include:

- contributions made by the member, even where the member has given the SMSF a Notice of intent to claim or vary a deduction for **personal super contributions** that applies to the contribution and the SMSF has acknowledged it (include these at label **B Personal contributions**)
- contributions that the member asked their employer to deduct from their after-tax income (include these at label **B Personal contributions**)

- employment termination payments received from an employer (include these at label **B Personal contributions**).

If you have used a contribution reserve strategy for concessional contributions as described in Taxation Determination TD 2013/22 *Income tax: 'concessional contributions' - allocation of a superannuation contribution with effect from a day in the financial year after the financial year in which the contribution was made*:

- employer contributions which were received in 2023–24 must be included at label **A** even if they were not allocated to the member's account before 1 July 2023
- the relevant members may need to complete **Request to adjust concessional contributions**
- if a member received employer contributions and part or all of the contributions were made by a non-related employer, you must include the following at Section **A**, item **7**
 - Fund's financial institution account details, and
 - Electronic service address alias (ESA).

Members with a defined benefit interest

If the member has a **defined benefit** interest in the SMSF, include at label **A** their notional taxed contributions.

The notional taxed contributions are generally the amount of the assessable contributions which the trustee has allocated to the member's defined benefit interest during the financial year. See **Regulation 291–170.03** of the *Income Tax Assessment Regulations 1997*.

If a member has both a defined benefit interest and an **accumulation** interest in the SMSF, include at label **A** both:

- the total of the notional taxed contributions
- any employer contributions made to their accumulation account.

For more information, see **Super contributions to defined benefit and constitutionally protected funds**.

A1 ABN of principal employer

Write at label **A1** the Australian business number (ABN) of the employer who made contributions to the member's account.

If more than one employer contributed to the member's account, write the ABN of the employer that contributed the largest amount in 2023–24.

B Personal contributions

Did the SMSF receive personal contributions for the member?

- **No** – Leave label **B** blank. Go to label **C**.
- **Yes** – Read on.

Write at label **B** the total value of personal contributions made for the member in 2023–24, other than contributions subject to elections to exclude them from the contributions caps.

Elections that exclude personal contributions from the contributions caps are:

- the CGT small business retirement exemption (include these contributions at label **C CGT small business retirement exemption**)
- CGT small business 15-year exemption amount (include these contributions at label **D CGT small business 15-year exemption amount**)
- personal injury election (include these contributions at label **E personal injury election**)
- downsizer election for contribution of the proceeds from primary residence disposal (include these contributions at label **H proceeds from primary residence disposal**).

Include at label **B**:

- contributions received from an employer for the member paid from the member's after tax income
- contributions made by the member themselves (regardless of whether they have been claimed or can be claimed by the member as a tax deduction)
- personal contributions funded by personal injury payments that are not included at label **E Personal injury election**

- personal contributions funded by the proceeds of the sale of assets, other than those you include at labels
 - **C CGT small business retirement exemption**
 - **D CGT small business 15-year exemption amount**
- contributions received from a non-complying super fund (include all amounts received from a non-complying super fund).

Contributions by the member under the re-contribution of COVID-19 early release amounts where the member:

- completed a Notice of re-contribution of COVID-19 early release amounts form, and
- gave the notice to the fund when, or before, the contribution was made.

Don't include at label **B**:

- amounts excluded from the member's non-concessional contributions and which you include at labels
 - **C CGT small business retirement exemption**
 - **D CGT small business 15-year exemption amount**
 - **E Personal injury election**
 - **H Proceeds from primary residence disposal**
- amounts contributed for the member under salary sacrifice arrangements they have entered into (write these at label **A Employer contributions**)
- a rollover super benefit reported at item **13** on a *Rollover benefits statement* which the SMSF received from another super provider (write the benefit at label **P Inward rollovers and transfers**)
- a super lump sum from a foreign super fund or scheme (include these at labels **I, J or M**)
- contributions made by the member's spouse or other third party contributions (include these at labels **F or G**).

If you have used a contribution reserve strategy for personal contributions similar to the strategy described in Taxation Determination TD 2013/22 for concessional contributions:

- you must include at label **B** any personal contributions which you received in 2023–24, even if they were not allocated to the member's account before July 2024
- the relevant members may need to complete a **Request to adjust concessional contributions** form for the amount of personal contributions they are claiming as tax deduction.

C CGT small business retirement exemption

Did the SMSF receive personal contributions for the member that the member elected to exclude from their non-concessional contributions with a CGT small business retirement exemption?

- **No** – Leave label **C** blank. Go to label **D**.
- **Yes** – Read on.

Write at label **C** the total value of personal contributions made by the member in 2023–24 that the member elected to exclude from their non-concessional contributions with a CGT small business retirement exemption.

To include an amount at label **C** the SMSF must have received a valid **capital gains tax cap election** from the member.

The CGT cap election is valid if:

- the member gave it to the SMSF on or before the date the contribution was made, and
- the SMSF has not been advised or become aware that the cap election is no longer valid or applicable.

The exemption from being a non-concessional contribution is not effective if the member made the CGT cap election after making the contribution.

There are 2 limits that affect the amount you include at label **C**:

- The **CGT small business retirement exemption lifetime limit** – a member can't elect to apply a CGT small business retirement exemption to more than \$500,000 during their lifetime.
- The **CGT cap** – this cap limits the amount of exemptions that a member can claim through a *CGT cap election* during their lifetime. The amounts at label **C CGT small business retirement exemption**

and label **D CGT small business 15-year exemption** both apply to the CGT cap. The CGT cap is indexed annually. In 2023–24 the lifetime limit for the CGT cap is \$1,650,000.

Don't include amounts at label **C**:

- if you are aware that a CGT cap election is not valid or that the election is not applicable (include these at label **B Personal contributions**)
- that are in excess of the CGT small business retirement exemption lifetime limit or the CGT cap (include these at label **B Personal contributions**).

If you become aware that a CGT cap election is not valid or applicable after you have lodged the SMSF annual return, you must lodge an amended annual return.

For more information, see:

- Small business retirement exemption
- CGT cap amount.

D CGT small business 15-year exemption amount

Did the SMSF receive personal contributions for the member that the member elected to exclude from their non-concessional contributions with a CGT small business 15-year exemption amount?

- **No** – Leave label **D** blank. Go to label **E**.
- **Yes** – Read on.

Write at label **D** the total value of personal contributions made by the member in 2023–24 that the member elected to exclude from their non-concessional contributions with a CGT small business 15-year exemption amount.

You can include a member's personal contribution at label **D** if it either:

- qualifies for the small business 15-year exemption
- would qualify for the small business 15-year exemption but for the fact that
 - the asset was a pre-CGT asset, or
 - there was no capital gain, or

- the 15-year holding period was not met because of the permanent incapacity of the person (or of a significant individual of a company or trust).

To write an amount at label **D** the SMSF must have received a valid **capital gains tax cap election** from the member.

The CGT cap election is valid if:

- the member gave it to the SMSF on or before the date the contribution was made
- the SMSF has not been advised or become aware that the CGT cap election is no longer valid or applicable.

The exemption from being a non-concessional contribution is not effective if the member made the CGT cap election after making the contribution.

The amount that you include at label **D** may be limited by the CGT cap. This cap limits the amount of exemptions that a member can claim through a *CGT cap election* during their lifetime. The amounts at label **C CGT small business retirement exemption** and label **D CGT small business 15-year exemption** both apply to the CGT cap. The CGT cap is indexed annually. In 2023–24 the lifetime limit for the CGT cap is \$1,650,000.

Don't include amounts at label **D**:

- if you are aware that a CGT cap election is not valid or that the election is not applicable (include these at label **B Personal contributions**)
- that are in excess of the CGT cap (include these at label **B Personal contributions**).

If you become aware that a CGT cap election is not valid or applicable after you have lodged the SMSF annual return, you must lodge an amended annual return.

For more information, see:

- Small business retirement exemption
- CGT cap amount.

E Personal injury election

Did the SMSF receive personal contributions for the member funded by personal injury payments and where the member has elected to exclude the contributions from their non-concessional contributions?

- **No** – Leave label **E** blank. Go to label **F**.
- **Yes** – Read on.

Write at label **E** the total value of all personal contributions made by the member in 2023–24 that were funded by eligible personal injury payments, and where the member has elected that the contributions be excluded from their non-concessional contributions.

Eligible personal injury payments are either of the following:

- a payment made under a written settlement agreement regarding a claim for damages for personal injury or a court order for such a claim
- a workers compensation payment taken as a lump sum.

To write an amount at label **E**, the SMSF must have received a valid *Contributions for personal injury election* from the member or the member's legal personal representative. For information about making this election, see **Contributions for personal injury**.

Don't include at label **E**:

- personal injury amounts the SMSF received before the member made a valid *Contributions for personal injury election* (include these at label **B Personal contributions**)
- any part of a payment that is not compensation or damages for personal injury (include these at label **B Personal contributions**)
- a personal injury amount which the member didn't elect to exclude from their non-concessional contributions (include these at label **B Personal contributions**)
- a personal injury amount that was not contributed to the SMSF within 90 days, or such longer period the Commissioner allows, of whichever of the following events occurs last (in each case include the amount at label **B Personal contributions**)
 - the day on which the member received the personal injury payment

- the day on which the agreement for settlement of a personal injury payment was entered into
- the day on which a court order for the personal injury payment was made.

For more information, see **Contributions for personal injury**.

F Spouse and child contributions

Did the SMSF receive spouse or child contributions for the member?

- **No** – Leave label **F** blank. Go to label **G**.
- **Yes** – Read on.

Write at label **F** the total value of the following contributions made for the member in 2023–24:

- contributions made by the member's spouse
- contributions made by parents, relatives or others on behalf of a member who is under 18 years old (excluding those made by (or on behalf of) the member's employer).

Don't include at label **F**:

- contributions made by a parent for their child who is 18 years old or older (include these at label **G Other third party contributions**)
- contributions made by a former spouse when the couple have separated and are now living apart on a permanent basis (include these at label **G Other third party contributions**)
- contributions made by a member who is under 18 years old (include these at label **B Personal contributions**)
- contributions made by (or on behalf of) a member's employer (include these at label **A Employer contributions**)
- amounts transferred from a member's spouse's super for the member as a result of a contributions splitting arrangement. These amounts are super contributions for the person that split their contributions and not super contributions for the member that received the transferred amount into their super as a result of the contributions split. Include these transferred amounts at label **P Inward rollovers and transfers**. For more information, see **Contributions splitting**.

G Other third party contributions

Did the SMSF receive other third party contributions for the member?

- **No** – Leave label **G** blank. Go to label **H**.
- **Yes** – Read on.

Write at label **G** the total value of all of the following third-party contributions the SMSF received for the member in 2023–24:

- contributions made by the member's former spouse
- contributions made by the member's current spouse who is now living separately and apart from the member on a permanent basis
- contributions made by any other person (excluding the member's employer) seeking to benefit the member where the member is 18 years of age or over
- contributions made by another third party contributor acting under an obligation to contribute for the member, for example
 - an insurance company where the member's policy provides for payment of super contributions in the event of sickness or incapacity
 - a government agency making a super contribution under a scheme to compensate injured or incapacitated workers (such as WorkCover Victoria)
 - the ATO or other government agency required to compensate the member through super contributions for errors in their administration of the law
 - a deceased estate where the entitlement is only to a super contribution (the member can't direct that their share in the estate be paid to them personally).

Don't include at label **G**:

- contributions that you must include at another contribution label **A** to **M**
- contributions made for a member who is under 18 years old (include these at label **F Spouse and child contributions** or label **A Employer contributions**).

H Proceeds from primary residence disposal

Downsizer contributions are contributions made by a member who:

- is aged 60 years old or older when the contribution is made to the superannuation fund, for contributions made between 1 July 2023 and 31 December 2023
- is aged 55 years old or older when the contribution is made to the superannuation fund, for contributions made from 1 January 2024
- has signed a contract to sell their dwelling on or after 1 July 2018 if the dwelling sold was owned by only one spouse, the spouse who does not hold an ownership interest may also make a downsizer contribution, or have one made on their behalf, provided they meet all the eligibility requirements
- has provided the trustee of the SMSF with the **Downsizer contribution into super form** either before or at the time they make their contribution
- has not previously made a downsizer contribution to super from the sale of another dwelling
- meets all the other eligibility requirements (see **Downsizing contributions into superannuation**).

Did the SMSF receive downsizer contributions for the member?

- **No** – Leave label **H** and label **H1** blank. Go to label **I** and label **J**.
- **Yes** – Read on.

Write at label **H** the total value of all downsizer contributions made by the member in 2023–24.

The member can make multiple contributions from the proceeds of a single sale of a dwelling.

The downsizer contribution amount cannot be greater than the member's share of the capital proceeds of the sale of their dwelling, up to a maximum (individual) limit of \$300,000.

Example: maximum amount of a downsizer contribution

In 2024 Rupert and Denise (joint tenants) sell their home for \$500,000. The capital proceeds for the disposal of their interests are \$250,000 each. The home is sold under a single contract.

Rupert and Denise are both eligible to make downsizer contributions. They are able to access the capital proceeds from each other's ownership interests to determine the maximum contribution they can each make.

Rupert and Denise can choose how to allocate the total available contribution amount, as long as neither individual contributes more than \$300,000 in total, and the sum of their respective contributions does not exceed the capital proceeds of \$500,000.

They choose to make a \$300,000 contribution to Denise's superannuation and a \$200,000 contribution to Rupert's superannuation.

H1 Receipt date

Write at label **H1** the date the downsizer contribution was received by the fund.

Downsizer contributions must be made within 90 days of the change in ownership of the dwelling (usually the date of settlement).

If multiple downsizer contributions were made by the member, use the date the last contribution was received by the fund.

I and J Foreign superannuation fund amounts

Did the SMSF receive a transfer for the member from a foreign superannuation fund or scheme?

- **No** – Leave label **I** and label **J** blank. Don't include a foreign super fund amount at label **M**. Go to label **K**.
- **Yes** – Read on.

Write, as explained below, the amount of the transfer or part of the transfer at labels:

- **I Assessable foreign superannuation fund amount**
- **J Non-assessable foreign superannuation fund amount**
- **M Any other contributions.**

Write the transfer from a foreign super fund or scheme received for the member in 2023–24 at label **J Non-assessable foreign**

superannuation fund amount except any part of the transfer that:

- exceeds the amount that was 'vested' in the member at the time of the transfer (include that part at label **I Assessable foreign superannuation fund amount**), or
- the member has made a written choice to include in the assessable income of the SMSF (include that part at label **M Any other contributions**).

The member can choose to have a transfer, or part of a transfer, included in the assessable income of the SMSF only under certain circumstances. For more information, see **Tax on transfers from foreign super funds**.

I Assessable foreign superannuation fund amount

Did the SMSF receive a transfer from a foreign superannuation fund that exceeded the amount that was 'vested' in the member at the time of transfer?

- **No** – Leave label **I** blank. Go to label **J**
- **Yes** – Read on.

Write at label **I** the amount transferred in 2023–24 that exceeded the amount that was 'vested' in the member at the time of transfer.

For an example of 'an amount that is not vested in the member at the time of transfer' see [Example: Transfer from a foreign super fund](#).

You must include the amount you write at label **I Assessable foreign superannuation fund amount** in the amount at Section **B**, item 11 – label **F Transfers from foreign funds**.

Don't include at label **I** any part of a transfer from a foreign super fund or scheme that:

- was 'vested' in the member at the time of transfer (write that amount at label **J Non-assessable foreign superannuation fund amount** or at label **M Any other contributions**)
- the member made a written choice to include in the assessable income of the SMSF (include that amount at label **M Any other contributions**).

J Non-assessable foreign superannuation fund amount

Did the SMSF receive a transfer from a foreign super fund that is not assessable income of the SMSF?

- **No** – Leave label **J** blank. Go to label **K**.
- **Yes** – Read on.

Write at label **J** the total amount transferred from a foreign super fund or scheme for the member in 2023–24 except any part of the transfer that is assessable income of the fund because:

- it exceeds the amount that was 'vested' in the member at the time of the transfer (write that part at label **I Assessable foreign superannuation fund amount**), or
- the member has made a written choice to include that amount in the assessable income of the SMSF (write that part at label **M Any other contributions**).

Example: transfer from a foreign super fund

(All amounts are in Australian dollars).

David has been a resident of Australia for 2 years. David transfers his entire interest in a foreign super fund to his Australian SMSF. The amount of the transfer is \$60,000 made up of:

- \$2,000 that was not 'vested' in his account at the time of the transfer (this amount is the result of the exercise of discretion by the trustee of the foreign super fund)
- \$50,000 that was the balance of his account in the foreign super fund when David became an Australian resident
- \$8,000 of earnings in the foreign super fund that was allocated to his account while David was an Australian resident and which David chose to have included in the assessable income of the SMSF.

In David's record in Section **F**, the SMSF reports:

- \$2,000 at label **I Assessable foreign superannuation fund amount**

- \$50,000 at label **J Non-assessable foreign superannuation fund amount**
- \$8,000 at label **M Any other contributions**.

The SMSF also reports \$10,000 (\$8,000 plus \$2,000) at label **F Transfers from foreign funds** in Section B. If David had not chosen to have the \$8,000 included in the assessable income of the SMSF, the \$8,000 would have been included in David's assessable income. It would not be included at label **M Any other contributions**, and \$58,000 would be reported at label **J Non-assessable foreign superannuation fund amount**. \$2,000 is still reported at Section **F**, label **I Assessable foreign superannuation fund amount** and also \$2,000 at Section **B**, item **11** - label **F Transfers from foreign funds**.

K and L Transfers from reserves

Did the SMSF transfer any amounts to the member's account from the SMSF's reserves?

- **No** – Leave label **K** and label **L** blank. Don't include a transfer from reserve for the member at label **O**. Go to label **T**.
- **Yes** – Read on.

Write the amount the SMSF transferred in 2023–24 from a reserve to the member's account at labels:

- **K Transfer from reserve: assessable amount**
- **L Transfers from reserve: non-assessable amount**
- **O Allocated earnings or losses**.

For more information, see Regulations 291-25.01 and 292-90.01 of the *Income Tax Assessment Regulations 1997*.

K Transfer from reserve: assessable amount

Did the SMSF allocate an amount to the member's account where the amount:

- is an assessable contribution of the SMSF not included at another label

- was allocated from a reserve and would be assessable income if the amount was made as a contribution, or
- was allocated from a reserve and is not excluded from being a concessional contribution?

If you answered:

- **No** – Leave label **K** blank. Go to label **L**.
- **Yes** – Read on.

Write at label **K** the total of the assessable amounts allocated in 2023–24 from the SMSF's reserves to the member's account.

In some cases, the amount you write at label **K** is greater than the amount actually allocated to the member's account. Where the amount was allocated to the member's account from a reserve instead of an employer making a contribution to the SMSF, multiply the amount that was transferred from the reserve by 1.176 to include the 15% tax that the SMSF would have paid if the employer had actually made a contribution to the SMSF for the member. Write at label **K** this grossed-up amount rather than the amount that was transferred from the reserve.

The amount at label **K** is included in the member's concessional contributions.

If you have used a contribution reserve strategy for concessional contributions as described in Taxation Determination TD 2013/22 then don't include at label **K** the contributions received by the SMSF in 2021–22 and allocated to the member's account in the following financial year (instead include those contributions at either label **A Employer contributions** or label **B Personal contributions**).

Example: grossing up a transfer from reserve – assessable amount

An employer has an obligation to make a \$1,000 super contribution for the member.

Instead of the employer making the \$1,000 contribution to the SMSF, the SMSF trustee allocates \$850 to the member's account from a reserve. The \$850 takes into account that 15% tax is payable on a \$1,000 employer contribution to super.

The trustee writes \$999.60 (that is, $\$850 \times 1.176$) at label **K**.

L Transfer from reserve: non-assessable amount

Did the SMSF allocate an amount to the member's account where the amount is:

- not assessable contributions of the SMSF and not included at another question and
- not an amount that should be included at label **O Allocated earnings or losses** (see information at [Transfers from reserves that are not included at K or L](#))?

If you answered:

- **No** – Leave label **L** blank. Go to label **T**.
- **Yes** – Read on.

Write at label **L** the non-assessable amount allocated from the SMSF's reserves to the member's account (other than amounts included at label **O Allocated earnings or losses**).

The amount written at label **L** is included in the member's non-concessional contributions.

Transfers from reserves that are not included at K or L

Generally, all allocations from reserves are reported as either assessable or non-assessable amounts, but certain exceptions apply and these amounts are reported at label **O Allocated earnings or losses**. For example, the following allocations from reserves are included at label **O Allocated earnings or losses**:

- amounts allocated to all members, or to a class of members to which the reserve relates, on a fair and reasonable basis, and the amount allocated for 2023–24 is less than 5% of the value of the members' interest
- amounts allocated for the sole purpose of discharging super income stream liabilities that are currently payable
- allocations following the commutation of a pension, where the amount in the reserve is allocated to an individual as a result of the

death of the primary beneficiary of the pension, and it is used to support another income stream for that individual.

T Contributions from non-complying funds and previously non-complying funds

Was the SMSF non-complying in 2022–23 and its status changed to complying at the beginning of 2023–24?

- **No** – Leave label **T** blank. Go to label **M**.
- **Yes** – Read on.

Write at label **T** the total amount of contributions received for the member where those contributions:

- were made on or after 10 May 2006, and when the SMSF was non-complying, and
- haven't previously been reported at this question in an earlier year.

Don't include the contributions you write at label **T** in the member's 'Opening account balance'.

Don't include at label **T** contributions made in 2023–24 when the SMSF was complying. Include these amounts at labels **A** to **M**.

M Any other contributions

Did the SMSF receive any other contributions for the member (including super co-contributions and low income super amounts) that are not included at questions A to T?

- **No** – Leave label **M** blank. Go to label **N**.
- **Yes** – Read on.

Write at label **M** the total value of other contributions received for the member in 2023–24 that you have not included at labels **A** to **T**.

Include at label **M**:

- super co-contributions and low income super amounts paid to the SMSF for the benefit of the member by us (including where they are transferred by us to the SMSF from the Superannuation Holding Account (SHA) special account)
- any amount transferred from a foreign super fund or scheme that the member has chosen to have included in the SMSF's assessable

income –see **Tax treatment of transfers from foreign super funds**)

- if a member has received any other contributions (including super co-contributions and low income superannuation amounts), you must include the following at Section **A**, item **7**
 - fund's financial institution account details, and
 - electronic service address alias (ESA).

Don't include at label **M** amounts transferred from the member's spouse's super as a result of a contributions splitting arrangement. These amounts are super contributions for the person that split their contributions and not super contributions for the member that received the transferred amount into their super as a result of the contributions split. Include these transferred amounts at label **P Inward rollovers and transfers**.

For more information, see **Contributions splitting for members**.

N Total contributions

Did you write any contributions at labels A to M above for this member?

- **No** – Write **0** (zero) at label **N**. Go to [Other transactions](#) questions.
- **Yes** – Read on.

Write at label **N** the total of all the contributions for this member that you wrote at labels **A** to **M**:

- **A Employer contributions**
- **B Personal contributions**
- **C CGT small business retirement exemption**
- **D CGT small business 15-year exemption amount**
- **E Personal injury election**
- **F Spouse and child contributions**
- **G Other third party contributions**
- **H Proceeds from primary residence disposal**
- **I Assessable foreign superannuation fund amount**
- **J Non-assessable foreign superannuation fund amount**

- **K Transfer from reserve: assessable amount**
- **L Transfers from reserve: non-assessable amount**
- **T Contributions from non-complying funds and previously non-complying funds**
- **M Any other contributions.**

Other contribution transactions

At labels **O** to **R2**, show transactions for the member in 2023–24 that were not contributions included at labels **A** to **M**:

- [O Allocated earnings or losses](#)
- [P Inward rollovers and transfers](#)
- [Q Outward rollovers and transfers](#)
- [R1 Lump sum payments](#)
- [R2 Income stream payments.](#)

O Allocated earnings or losses

If you couldn't include an amount of a transaction at the contribution labels **A** to **M**, and can't include it at labels **P Inward rollovers and transfers**, **Q Outward rollovers and transfers**, **R1 Lump sum payments**, or **R2 Income stream payments**, include it at label **O Allocated earnings or losses**.

Did the SMSF allocate any earnings, losses, taxes or expenses to the member?

- **No** – Leave label **O** blank. Go to label **P**.
- **Yes** – Read on.

Write at label **O** the sum of:

- all earnings allocated to this member
- less expenses (including taxes) and losses allocated to this member.

If the amount at label **O** is a loss, print **L** in the box to the right of the amount.

Include at label **O** any transactions affecting the member's **closing balance** that you have not included at another question in Section F or Section G. For example, the amount at label **O** could include:

- investment earnings allocated to the member's account
- expenses allocated to the member's account
- gains and losses allocated to the member's account
- payments received for the member under an insurance policy held by the SMSF for death or disability cover
- allocations from reserves that are not included at either label **K Transfer from reserve: assessable amount** or **L Transfer from reserve: non-assessable amount**. For more information, see [Transfers from reserves that are not included at K or L](#).

P Inward rollovers and transfers

Did the SMSF receive rollovers or transfers for the member?

- **No** – Leave label **P** blank. Go to label **Q**.
- **Yes** – Read on.

Write at label **P** the total amount of rollovers and transfers received for the member in 2023–24 from within the Australian superannuation system.

These rollovers and transfer amounts are shown on the **Rollover benefits and Death benefit rollover statement information** that you should have received from the transferring fund. You should have received the *Rollover benefits statement* or *Death benefit rollover statement* within 7 days of the member's previous fund making the rollover or transfer payment.

Examples of inward amounts you include at label **P** include:

- rollover payments received for the member from other funds where you receive a *Rollover benefits statement* or *Death benefits rollover statement* from that fund
- amounts transferred from the member's spouse's super into the member's account as a result of a contributions splitting arrangement (for more information, see **Contributions splitting for members**)

- amounts transferred for the member because of a family law obligation (such as a super agreement or a Family Law Court order as a result of a relationship breakdown)
- amounts transferred to the member's account from their spouse's account as a result of the spouse's death (a reversionary pension or entitlement).

Also include at label **P**, unclaimed superannuation money received from the ATO.

These amounts are not contributions for the member that receives them into their account.

If the SMSF can receive an inward rollover or transfer amount you must include both of the following at Section **A**, item **7**:

- fund's financial institution account details
- electronic service address alias (ESA).

Don't include transfers from foreign super funds at label **P**. Show these at labels:

- **I Assessable foreign superannuation fund amount**
- **J Non-assessable foreign superannuation fund amount**, or
- **M Any other contributions.**

If an amount is transferred between members' accounts in your SMSF, for information about how to record the transaction, see [Transfers between members within the SMSF](#).

Example: how to report inward rollovers

A large public offer super fund transferred \$250,000 to SMSF P and provided a *Rollover benefits statement* that identified David as the recipient member and reported at:

- **Section C, item 13 Tax components**
 - Taxable component
 - Element taxed in the fund: \$250,000 (the net amount).

The SMSF reports the entire \$250,000 at label **P Inward rollovers or transfers** in David's record in Section F.

If the \$250,000 includes contributions that were made during 2023–24, the large public offer super fund must report this to us, as well as reporting the outward rollover amount. The SMSF does not report any of the inward rollover as a contribution at labels **A** to **M**.

Q Outward rollovers and transfers

Did the SMSF make any outward rollovers or transfers from the member's account?

- **No** – Leave label **Q** blank. Go to label **R1**
- **Yes** – Read on.

Write at label **Q** the total amount of the outward rollovers and transfers paid from the member's account (other than to a foreign recipient).

The SMSF was required to report the transfers and rollovers on a *Rollover benefits statement* or *Death benefit rollover statement* that it gave to the receiving fund when the transfer or rollover occurred. The amount that you write at label **Q** is the same as the total of the amounts shown at item **13** on the *Rollover benefits statement* or *Death benefits rollover statement*, or the total of any rollovers sent via the SMSF's electronic messaging provider. See **Register of SMSF messaging providers**.

Examples of the outward amounts you write at label **Q** include:

- rollover payments made for the member to another fund where you provided a *Rollover benefits statement* or *Death benefits rollover statement* to the fund
- amounts transferred out of the member's account, to their spouse's super account, as a result of a contributions splitting arrangement (for more information, see **Contributions splitting for members**)
- amounts transferred from the member's account because of a family law obligation (such as an order by a Family Law Court)
- amounts transferred from the member's account to their spouse's super account as a result of the member's death (a reversionary pension or entitlement).

Example: how to report outward rollovers

James is a member and trustee of an SMSF. On 1 July 2023 James' account balance in the SMSF was \$300,000.

On 1 January 2024 James rolled over his entire interest in the SMSF to a large public offer super fund. Between 1 July 2023 and 1 January 2024:

- James's employer contributed \$20,000 to the SMSF
- the SMSF deducted \$3,000 from James's account as an allowance for tax.

The SMSF transfers the \$317,000 in James's account to the large public offer super fund. It also sends a *Rollover benefits statement* through SuperStream (using an electronic messaging provider) to the large public offer super fund.

On the SMSF annual return for 2023–24, the SMSF reports for James in Section **G**:

- Opening account balance – \$300,000
- Contributions
 - A Employer contributions – \$20,000
 - N Total contributions – \$20,000
 - O Allocated earnings or losses – \$3,000 L
- Other transactions
 - Q Outward rollovers and transfers – \$317,000
 - S Closing account balance – \$0.

Transfers between members within the SMSF

If an amount is transferred between 2 members in the same SMSF, include the amount of the transfer at both the following labels:

- **Q Outward rollovers and transfers** in the record of the member that sends the transfer

- **P Inward rollovers and transfers** in the record of the member that receives the transfer.

If contributions were made for a member and transferred to another member, they are reported as contributions in the record of the member for whom they were made. Don't report them as if they were contributions of the member that received the transfer.

Example: transfer within an SMSF

Bob and Jasmine are both members of the same SMSF. As a result of a family court order, Bob transferred \$100,000 to Jasmine in 2023–24. The \$100,000 included \$5,000 employer contributions that were made during 2023–24. In Section F of the 2023–24 SMSF annual return:

- Bob's record includes \$5,000 at label **A Employer contributions** and \$100,000 at label **Q Outward rollovers and transfers**
- Jasmine's record includes \$100,000 at label **P Inward rollovers and transfers**.

R1 Lump sum payments

Did the SMSF pay any super lump sums for the member?

- **No** – Leave label **R1** blank. Go to label **R2**.
- **Yes** – Read on.

Write at label **R1** the total amount of super lump sum benefits paid for the member in 2023–24.

Use [Table 11](#) to work out which code applies to the amount you wrote at label **R1**. Print the code in the **Code** box to the right of label **R1**. If more than one benefit type applies, use the code that describes the largest payment amount.

Don't include at label **R1**:

- amounts transferred from the member's account to their spouse's super account as a result of a contributions splitting arrangement (include these at label **Q Outward rollovers and transfers**)

- amounts transferred from the member's account because of a family law obligation (include these at label **Q Outward rollovers and transfers**).

A payment made as a result of a full commutation of an income stream is a super lump sum and must be reported at label **R1 Lump sum payments**.

From 1 July 2017 the payment resulting from a partial commutation of a super income stream is a superannuation lump sum and must be reported at label **R1 Lump sum payments**.

From 1 July 2017 a member can no longer elect to have a super income stream benefit treated as a super lump sum.

Table 11: Lump sum benefit type codes

Code	Benefit type
A	Lump sum benefit for a member 60 years old or older
B	Lump sum benefit for a member less than 60 years old
C	Death benefit to a dependant
D	Death benefit to a non-dependant
E	Terminal medical condition benefit
F	Other lump sum benefit type (for example, permanent incapacity, severe financial hardship, approved compassionate payment)
G	Release authority payment (for example where an amount is released and issued to the ATO in response to a release authority)

R2 Income stream payments

Did the SMSF pay a super income stream to the member?

- **No** – Leave label **R2** blank. Go to label **S**.

- **Yes** – Read on.

Write at label **R2** the total amount of super income stream benefits paid to the member in 2023–24.

Use [Table 12](#) to work out which code applies to the amount you wrote at label **R2**. Print the code in the Code box to the right of label **R2**. If more than one benefit type applies, use the code that describes the income stream with the largest total payment amount.

Don't include at label **R2**:

- amounts transferred from the member's account to their spouse's super account as a result of a contributions splitting arrangement (include these at label **Q Outward rollovers and transfers**)
- amounts transferred from the member's account because of a family law obligation (include these at label **Q Outward rollovers and transfers**).

A payment made as a result of a full commutation of an income stream is a super lump sum and must be reported at label **R1 Lump sum payments**.

From 1 July 2017 the payment resulting from a partial commutation of a super income stream is a super lump sum and must be reported at label **R1 Lump sum payments**.

From 1 July 2017 a member can no longer elect to have a super income stream benefit treated as a super lump sum.

Table 12: Income stream benefit type codes

Code	Benefit type
M	Income stream benefit for a member 60 years old or older (other than transition to retirement)
N	Income stream benefit for a member under 60 years old (other than transition to retirement)
O	Transition to retirement

P	<p>Death benefit to a dependant where:</p> <ul style="list-style-type: none"> the member died at 60 years old or older, or the dependant is 60 years old or older
Q	<p>Death benefit to a dependant where:</p> <ul style="list-style-type: none"> the member died before age 60, and the dependant is under 60 years of age
R	<p>Other income stream type (for example paid due to the member's temporary incapacity or permanent incapacity)</p>

Complete a Transfer balance account report (TBAR) if a SMSF member had a transfer balance account event such as:

- taking a lump sum payment from their retirement phase account
- starting a new retirement phase superannuation income stream
- commuting and rolling over a retirement phase superannuation income stream to another superannuation fund.

For more information on the events you need to report, see **What and when to report**.

Other transactions

At labels **S1** to **Y**, complete:

- [TRIS count](#)
- [S1 Accumulation phase account balance](#)
- [S2 Retirement phase account balance – Non CDBIS](#)
- [S3 Retirement phase account balance – CDBIS](#)
- [S Closing account balance](#)
- [X1 Accumulation phase value](#)
- [X2 Retirement phase value](#)

- [Y Outstanding limited recourse borrowing arrangement amount](#)

TRIS count

Write the total number of accounts that are transition to retirement income stream products that the member has in accumulation phase.

The TRIS is in accumulation phase unless you have reached age 65 or have met another nil cashing restriction condition of release (retirement, permanent incapacity, or terminal medical condition) and notified your SMSF.

S1 Accumulation phase account balance

Write at label **S1** the closing account balance of accounts that are in the accumulation phase.

S2 Retirement phase account balance – Non CDBIS

Write at label **S2** the closing account balance of accounts that are in the retirement phase and are either:

- market linked capped defined benefit income streams
- retirement income streams that are not capped defined benefit income streams.

For clarity, income streams included here are the following retirement income streams defined in subsection 307-230(4) ITAA 1997:

- an allocated annuity
- an allocated pension
- an allocated pension – within the meaning of the *Retirement Savings Accounts Regulations 1997*
- an account-based annuity
- an account-based pension – within the meaning of the *Superannuation Industry (Supervision) Regulations 1994*
- an account based pension – within the meaning of the *Retirement Savings Accounts Regulations 1997*
- a market linked annuity – within the meaning of the *Superannuation Industry (Supervision) Regulations 1994*

- a market linked pension – within the meaning of the *Superannuation Industry (Supervision) Regulations 1994*
- a market linked pension – within the meaning of the *Retirement Savings Accounts Regulations 1997*.

S3 Retirement phase account balance – CDBIS

Write at label **S3** the closing account balance that is held in accounts that are in the retirement phase and are capped defined benefit income streams except capped defined benefit income streams that are market linked pensions and annuities. Capped defined benefit income streams are defined in subsection 294-130(1) of the ITAA 1997.

S Closing account balance

Write at label **S** the member's account balance at 30 June 2024. If the member's closing account balance is zero or a negative amount, write **0** (zero) at label **S**. To work out the member's closing account balance at 30 June 2024:

- add
 - **Opening account balance** (at 1 July 2023)
 - **N Total contributions**
 - **O Allocated earnings and losses** (if the amount is positive)
 - **P Inward rollovers and transfers**
- and then subtract
 - **O Allocated earnings and losses** (if the amount is a loss)
 - **Q Outward rollovers and transfers**
 - **R1 Lump sum payments**
 - **R2 Income stream payments.**

If a member has multiple accounts, you should have combined them so that each member has only one statement in either Section **F** or Section **G**.

The amount you write at **Closing account balance** must also equal the total of labels **S1**, **S2** and **S3**.

X1 Accumulation phase value

It is now conditional as to whether you provide for each member their 30 June accumulation phase value. The accumulation phase value is the total amount of the superannuation benefits that would become payable if the member voluntarily caused the interest to cease.

The accumulation phase value is often less than the value at label **S1 Accumulation phase account balance** as the costs to cease the interest are subtracted from the account balance.

You may provide an accumulation phase value if your accumulation phase account balance does not equal your accumulation phase value.

You must provide an accumulation phase value where the difference between the accumulation phase value and the accumulation phase account balance is not limited to the value of the administration and exit fees and realisation costs if the member was to voluntarily cease the interest.

If you provide the accumulation phase value, we will use it to work out the total superannuation balance for the member and we will no longer use label **S1 Accumulation phase account balance** for that calculation.

X2 Retirement phase value

It is now conditional as to whether you provide for each member their 30 June retirement phase value. The retirement phase value is the total amount of the superannuation benefits that would become payable from retirement phase accounts (non-CDBIS only) if the member voluntarily caused the interest to cease.

The retirement phase value is often less than the value at label **S2 Retirement phase account balance – Non CDBIS** as the costs to cease the interest are subtracted from the account balance.

You may provide a retirement phase value if your retirement phase account balance does not equal your retirement phase value.

You must provide a retirement phase value where the difference between the retirement phase value and the value at label **S2** is not limited to the value of the administration and exit fees and realisation costs if the member was to voluntarily cease the interest.

If you provide the retirement phase value, we will use it to work out the total superannuation balance for the member and we will no longer use label **S2** for that calculation.

Y Outstanding limited recourse borrowing arrangement amount

Label **Y** represents the member's outstanding limited recourse borrowing arrangement (LRBA) amount at 30 June (if applicable). The information below will help you decide if you need to report an amount at this label.

Does the fund have an LRBA that is a:

- new LRBA entered into on or after 1 July 2018
- refinancing of an existing LRBA and the refinanced amount entered into on or after 1 July 2018 is greater than the outstanding balance of the original LRBA, or
- refinancing of an existing LRBA to acquire different assets on or after 1 July 2018.

If you answered:

- **No** – Leave label **Y** blank.
- **Yes** – Read on.

Is the lender of the LRBA an associate of the fund?

- **No** – Read on.
- **Yes** – Write at label **Y** for each member the total value of the outstanding LRBA amount at 30 June 2024 that is attributable to them.

Has the member met a condition of release with a nil cashing restriction?

- **No** – Leave label **Y** blank.
- **Yes** – Write at label **Y** the total value of the outstanding LRBA amount at 30 June 2024 that is attributable to the member that meets a condition of release with a nil cashing restriction.

The total of all the amounts at label **Y** for all the members should not be greater than the amount you report at Section **H** – label **V1 Borrowings for limited recourse borrowing arrangements**.

Don't include the value of the assets held under the LRBA amount here. Include this in Section **H**.

For more information, see

- Outstanding LRBA amount included in your total superannuation balance
- Super law requirements for LRBA
- Law Companion Ruling LCR 2016/12 *Superannuation reform: total superannuation balance*.

Total superannuation balance

We will use the amount you enter at labels **S1**, **S2**, **X1** and **X2** to calculate the total superannuation balance for each of the members.

From 1 July 2017 the member's total superannuation balance may impact upon their non-concessional contributions cap and affect other superannuation measures.

For more information, see [Total superannuation balance](#).

Example: calculating closing account balance

This example is for an SMSF with a single member. In such a case, all the SMSF's expenses are allocated to the member.

Closing account balance for previous year

The member's closing account balance at 30 June 2023 was \$50,000.

Transactions for 2023–24

Transaction	Add/subtract	Amount \$
Employer contributions	+	12,000
Bank interest	+	5,000
Partnership distribution	+	2,000

Auditor fees (see note 1)	–	1,000
Income tax (see note 1)	–	2,500
Supervisory levy (see note 1)	–	259

Note 1: These amounts were paid in 2023–24.

Member closing account balance 30 June 2024

Item	Amount \$
Opening account balance	50,000 (2022–23 closing account balance)
N Total contributions	12,000 (employer contributions)
O Allocated earnings or losses (see note 2)	3,241
S Closing Account balance	65,241

Note 2: label **O Allocated earnings or losses** is the total of all the transactions for 2023–24, excluding transactions accounted for at another question (in this case employer contributions, which are already accounted for at label **N TOTAL CONTRIBUTIONS**).

Continue to: **Section H: Assets and liabilities – items 15 and 16**

Return to: **Instructions to complete your SMSF annual return 2024**

Section H: Assets and liabilities – items 15 and 16

You must complete Section H for the SMSF. Report all of the SMSF's assets and liabilities at 30 June 2024.

Published 30 May 2024

About Section H

You must complete Section H.

The SMSF's total assets must equal its total liabilities, that is, the amount at label **U Total Australian and overseas assets** must equal the amount at label **Z Total liabilities**.

Write the market value of the assets, as shown in the SMSF's balance sheet (also known as the SMSF's statement of financial position) at 30 June 2024.

For more information, see [Valuation guidelines for self-managed super funds](#).

15a Australian managed investments

15a Australian managed investments covers the SMSF's investment in entities that make subsequent investments on behalf of the SMSF.

If the entity in which the SMSF has invested is located or registered in Australia, then the SMSF's investment in that entity is recorded at labels **A**, **B**, **C** or **D**. The 4 labels under item **15a Australian managed investments** relate to:

- [A Listed trusts](#)
- [B Unlisted trusts](#)
- [C Insurance policy](#)
- [D Other managed investments](#).

A Listed trusts

A listed trust is a trust which has its units traded on an Australian stock exchange, and the unit values are reported as shares.

Did the SMSF own any units in an Australian listed trust?

- **No** – Leave label **A** blank. Go to label **B**.
- **Yes** – Read on.

Write at label **A** the value (on 30 June 2024) of listed trust units owned by the SMSF. Don't include at label **A** the value of units in listed trusts that are held on trust under a limited recourse borrowing arrangement (include the value of these at label **J6 Other** in item **15b**).

B Unlisted trusts

Unlisted trusts are trusts that are not traded or purchased through an Australian stock exchange.

Did the SMSF own any units in an Australian unlisted trust?

- **No** – Leave label **B** blank. Go to label **C**.
- **Yes** – Read on.

Write at label **B** the value (on 30 June 2024) of unlisted trust interests held by the SMSF that were registered or located in Australia.

If the SMSF is complying and received a share of net income from the trust that is non-arm's length income, you must also include the distributions in Section **B**, **item 11** – label **U2 Net non-arm's length trust distributions**.

Don't include at label **B** the value of units in unlisted trusts that are held on trust under a limited recourse borrowing arrangement (include the value of these at label **J6 Other** in item **15b**).

C Insurance policy

Did the SMSF own any life insurance policies that were issued by an organisation registered under the *Life Insurance Act 1995*?

- **No** – Leave label **C** blank. Go to label **D**.
- **Yes** – Read on.

Write at label **C** the value (on 30 June 2024) of life insurance policies owned by the SMSF that were issued by an organisation registered under the *Life Insurance Act 1995*.

Don't include at label **C** the value of insurance policies that are held on trust under a limited recourse borrowing arrangement (write the value

of these at label **J6 Other** in item **15b**).

D Other managed investments

Did the SMSF own any other Australian managed investments?

- **No** – Leave label **D** blank. Go to item **15b**.
- **Yes** – Read on.

Write at label **D** the value (on 30 June 2024) of the SMSF's other investments in entities located or registered in Australia that:

- invest on behalf of the SMSF
- you didn't include at labels **A Listed trusts**, **B Unlisted trusts** or **C Insurance policy** above.

This asset category includes investments with all external investment managers and **pooled superannuation trusts** (PSTs) located or registered in Australia.

An external investment manager is a person appointed by the trustee of the SMSF in accordance with Section 124 of the *Superannuation Industry (Supervision) Act 1993* to make investments on behalf of the SMSF. Investments managed by an external investment manager are called managed funds.

A managed fund that is registered in Australia is an Australian managed investment even if it invests in overseas assets.

Don't include at label **D** the value of any Australian managed investments that were held on trust under a limited recourse borrowing arrangement (write the value of these at label **J6 Other** in item **15b**).

15b Australian direct investments

15b Australian direct investments covers investments located in Australia where the SMSF directly holds the assets, either in the name of the SMSF or in another legally recognised format.

The labels in **15b Australian direct investments** are:

- [E Cash and term deposits](#)
- [F Debt securities](#)
- [G Loans](#)

- [H Listed shares](#)
- [I Unlisted shares](#)
- [J1 to J6 and J Limited recourse borrowing arrangements](#)
- [K Non-residential real property](#)
- [L Residential real property](#)
- [M Collectables and personal use assets](#)
- [O Other assets.](#)

E Cash and term deposits

Did the SMSF own any cash or term deposits?

- **No** – Leave label **E** blank. Go to label **F**.
- **Yes** – Read on.

Write at label **E** the value (on 30 June 2024) in Australian currency of all cash accounts and term deposits held by the SMSF with Australian financial institutions (or other similar organisations).

Examples include money market funds and cash management trusts.

Don't include holdings in crypto assets at label **E**. Include these assets at Other investments label **N Crypto-asset** For more information about crypto assets, see [Crypto asset investments](#).

F Debt securities

Debt securities:

- are typically financial securities which establish ownership and represent borrowings that must be repaid by the issuer
- include negotiable instruments such as bonds, bills of exchange, promissory notes and share certificates which are traded in financial markets
- may consist of a combination of 2 or more financial instruments. These debt securities are called hybrid securities. They can combine bonds or notes, swaps, forward or futures contracts and options.

Did the SMSF own any debt securities?

- **No** – Leave label **F** blank. Go to label **G**.
- **Yes** – Read on.

Write at label **F** the value (on 30 June 2024) of debt securities or hybrid securities, held by the SMSF, that are traded or available in Australia.

Don't include at label **F** the value of debt securities held on trust under a limited recourse borrowing arrangement. Include the value of these securities at label **J6 Other** in item **15b**.

G Loans

Did the SMSF have any Australian loans (where the SMSF is the lender)?

- **No** – Leave label **G** blank. Go to label **H**.
- **Yes** – Read on.

Write at label **G** the total value (on 30 June 2024) of loans where both:

- the SMSF is the lender
- the SMSF entered into or finalised the loan in Australia.

H Listed shares

Did the SMSF own any public shares and equities that are traded on Australian stock exchanges?

- **No** – Leave label **H** blank. Go to label **I**.
- **Yes** – Read on.

Write at label **H** the value (on 30 June 2024) of public shares and equities held by the SMSF that are traded on Australian stock exchanges. These include shares, equities and similar financial contracts that are traded on Australian stock exchanges.

Don't include at label **H**:

- debt securities (include these at label **F Debt securities**)
- investments in listed trusts (include these at label **A Listed trusts**)
- listed shares held on trust under a limited recourse borrowing arrangement (include these at label **J4 Australian shares**).

I Unlisted shares

Did the SMSF own any unlisted shares, equities or similar financial contracts that are not traded on Australian stock exchanges?

- **No** – Leave label **I** blank. Go to label [J1 to J7 and J Limited recourse borrowing arrangements](#).
- **Yes** – Read on.

Write at label **I** the value (on 30 June 2024) of shares, equities and similar financial contracts held by the SMSF that are not listed on Australian stock exchanges.

Don't include at label **I**:

- investments in unlisted trusts here (include these at label **B Unlisted trusts** in item **15a**)
- unlisted shares that are held on trust under a limited recourse borrowing arrangement (include the value of these at label **J4 Australian shares** in item **15b**).

If the SMSF is complying and non-arm's length dividends were paid to the SMSF from a private company include them at Section **B**, item **11** – label **U1 Net non-arm's length private company dividends**.

J1 to J7 and J Limited recourse borrowing arrangements

Did the SMSF have a beneficial interest in any assets that were held on trust as security under a limited recourse borrowing arrangement?

- **No** – Leave labels **J1** to **J7** and **J** blank. Go to label **K**.
- **Yes** – Read on.

Write at labels **J1** to **J6** the value (on 30 June 2024) of assets beneficially held by the SMSF in a trust as security for a borrowing of money under a limited recourse borrowing arrangement, including instalment warrants.

- The amounts you write at labels **J1** to **J6** are the values of the assets held on trust under limited recourse borrowing arrangements and not the amounts borrowed or the amount of outstanding borrowings.

- Write the value of the outstanding borrowings under the limited recourse borrowing arrangements at item **16 Liabilities** – label **V1**.
- Don't include the amounts you write at labels **J1** to **J6** at any other asset item in Section H. For example, if the SMSF holds a beneficial interest in overseas shares on trust under a limited recourse borrowing arrangement, record the value of the shares at label **J5** and not at label **P Overseas shares** at item **15d**.

Example: limited recourse borrowing arrangements

On 30 June 2024, if the SMSF has a beneficial interest in residential land with a market value of \$300,000 held in a trust under a limited recourse borrowing arrangement and the outstanding amount borrowed is \$100,000, the trustee includes:

- \$300,000 at label **J1 Australian residential real property**
- \$300,000 at label **J Limited recourse borrowing arrangements**
- \$100,000 at label **V1 Borrowings for limited recourse borrowing arrangements**.

SMSFs are prohibited from borrowing to invest except in certain limited circumstances. For more information, see [Limited recourse borrowing arrangements – questions and answers](#).

J1 Australian residential real property

Did the SMSF have a beneficial interest in any Australian residential real property that was held on trust as security under a limited recourse borrowing arrangement?

- **No** – Leave label **J1** blank.
- **Yes** – Read on.

Write at label **J1** the value (on 30 June 2024) of the SMSF's beneficial interest in **residential real property** that is both:

- located in Australia
- held in a trust as security for a borrowing under a limited recourse borrowing arrangement.

J2 Australian non-residential real property

Did the SMSF have a beneficial interest in any Australian non-residential real property that was held on trust as security under a limited recourse borrowing arrangement?

- **No** – Leave label **J2** blank.
- **Yes** – Read on.

Write at label **J2** the value (on 30 June 2024) of the SMSF's beneficial interest in non-residential real property that is both:

- located in Australia
- held in a trust as security for a borrowing under a limited recourse borrowing arrangement.

J3 Overseas real property

Did the SMSF have a beneficial interest in any overseas real property that was held on trust as security under a limited recourse borrowing arrangement?

- **No** – Leave label **J3** blank.
- **Yes** – Read on.

Write at label **J3** the value (on 30 June 2024) of the SMSF's beneficial interest in residential and non-residential real property that is both:

- located overseas
- held in a trust as security for a borrowing under a limited recourse borrowing arrangement.

J4 Australian shares

Did the SMSF have a beneficial interest in any Australian shares that were held on trust as security under a limited recourse borrowing arrangement?

- **No** – Leave label **J4** blank. Go to label **J5**.
- **Yes** – Read on.

Write at label **J4** the value (on 30 June 2024) of the SMSF's beneficial interest in public shares, unlisted shares, equities and similar financial

contracts that are held in a trust as security for a borrowing under a limited recourse borrowing arrangement.

Don't include:

- derivatives (include these at label **O Other assets**)
- a beneficial interest in debt securities that is held under a limited recourse borrowing arrangement (include these at label **J6 Other**).

J5 Overseas shares

Did the SMSF have a beneficial interest in any overseas shares that were held on trust as security under a limited recourse borrowing arrangement?

- **No** – Leave label **J5** blank. Go to label **J6**.
- **Yes** – Read on.

Write at label **J5** the value (on 30 June 2024) of the SMSF's beneficial interest in public and private shares, equities and similar financial contracts that are both:

- traded on overseas stock exchanges
- held in a trust as security for a borrowing under a limited recourse borrowing arrangement.

Don't include:

- derivatives (include these at label **O Other assets**)
- a beneficial interest in debt securities that is held under a limited recourse borrowing arrangement (include these at label **J6 Other**).

J6 Other

Did the SMSF have a beneficial interest in any other assets that were held on trust as security under a limited recourse borrowing arrangement?

- **No** – Leave label **J6** blank. Go to label **J7**.
- **Yes** – Read on.

Write at label **J6** the value (on 30 June 2024) of the SMSF's beneficial interest in other assets that:

- are held in a trust as security for a borrowing under a limited recourse borrowing arrangement
- don't fall within any of the categories in labels **J1** to **J5**.

J7 Property count

Did the SMSF have any properties held in trust as security under a limited recourse borrowing arrangement at labels **J1**, **J2**, or **J3**?

- **No** – Leave label **J7** blank. Go to label **J**.
- **Yes** – Read on.

Write at label **J7** the total number of real properties that are a single acquirable asset the fund has an interest in that has been reported at labels **J1**, **J2** and **J3**.

- Each distinct property that the SMSF has an interest in should be reported. A fractional interest in a property is to be reported as one property.
- Where the SMSF has interests in 1,000 or more properties, report 999.

J Limited recourse borrowing arrangements

Write at label **J** the total of labels **J1** to **J6**.

If you report an amount here, you must also complete:

- labels **A** and **B** at item **15f Limited recourse borrowing arrangements**
- label **V1 Borrowings for limited recourse borrowing arrangements** at item **16 Liabilities**.

K Non-residential real property

Did the SMSF own any Australian non-residential real property?

- **No** – Leave label **K** blank. Go to label **L**.
- **Yes** – Read on.

Write at label **K** the value (on 30 June 2024) of the SMSF's non-residential real property that is located in Australia.

Don't include at label **K** non-residential real property that is held on trust under a limited recourse borrowing arrangement (write the value of these at label **J2**).

L Residential real property

Did the SMSF own any Australian residential real property?

- **No** – Leave label **L** blank. Go to label **M**.
- **Yes** – Read on.

Write at label **L** the value (on 30 June 2024) of the SMSF's **residential real property** that is located in Australia.

Don't include at label **L** residential real property that is held on trust under a limited recourse borrowing arrangement (write the value of these at label **J1**).

M Collectables and personal use assets

Did the SMSF own any collectables or personal use assets?

- **No** – Leave label **M** blank. Go to label **O**.
- **Yes** – Read on.

Write at label **M** the total value (on 30 June 2024) of the SMSF's collectable and personal use asset investments.

Collectable and personal use asset include:

- artwork
- jewellery
- antiques
- artefacts
- coins, medallions and bank notes
- postage stamps and first day covers
- rare folios, manuscripts and books
- memorabilia
- wine and spirits
- motor vehicles

- recreational boats
- memberships of sporting and social clubs.

Artwork includes a painting, sculpture, drawing, engraving or photograph or a reproduction of one of these things and any property of a similar description or use.

Coins and bank notes are collectables if their value exceeds their face value.

Spirits can include (but is not limited to) whiskey, gin, vodka, tequila, brandy and rum where their purchase is considered an investment.

Don't include collectables and personal use assets that are held on trust under a limited recourse borrowing arrangement at label **M** (write the value of these at label **J6**).

O Other assets

Did the SMSF own any other assets that are located in Australia?

- **No** – Leave label **O** blank. Go to label **15c**.
- **Yes** – Read on.

Write at label **O** the value (on 30 June 2024) of the SMSF's other assets that are both:

- located in Australia
- were not included at labels **A** to **M**.

Include the value of derivatives at label **O**.

Don't include instalment warrants at label **O**. Include them at labels **J1** to **J6**.

15c Other investments

Did the SMSF own any crypto- asset as an investment?

- **No** – Leave label **N** blank. Go to item **15d**.
- **Yes** – Read on.

Write at label **N** the value (on 30 June 2024) of the SMSF's crypto-asset investment.

For more information, see SMSF investing in crypto assets.

15d Overseas direct investments

15d Overseas direct investments covers the SMSF's direct investments that are located outside Australia. It includes overseas direct investments where the entities invested in make subsequent investments in Australian markets. If the SMSF has an investment which is in an entity that is not an Australian-regulated entity, include the investment at labels **P**, **Q**, **R**, **S** or **T**.

If the SMSF has investments in Australian-regulated entities that make subsequent investments on behalf of the SMSF, don't include the investments here at item **15d** (include them at labels **A** to **O** in items **15a** and **15b**).

The labels in **15d Overseas direct investments** are:

- [P Overseas shares](#)
- [Q Overseas non-residential real property](#)
- [R Overseas residential real property](#)
- [S Overseas managed investments](#)
- [T Other overseas assets](#).

P Overseas shares

Did the SMSF own any public and private shares, equities and similar financial contracts that are traded on an overseas stock exchange?

- **No** – Leave label **P** blank. Go to label **Q**.
- **Yes** – Read on.

Write at label **P** the value (on 30 June 2024) of the SMSF's public and private shares, equities and similar financial contracts that are traded on an overseas stock exchange.

Don't include:

- debt securities (include these at label **T Other overseas assets**)
- investments in listed or unlisted trusts (include these at label **S Overseas managed investments**)

- overseas shares that are held on trust under a limited recourse borrowing arrangement (include these at label **J5** in item **15b**).

Q Overseas non-residential real property

Did the SMSF own any non-residential real property that is located outside Australia?

- **No** – Leave label **Q** blank. Go to label **R**.
- **Yes** – Read on.

Write at label **Q** the value (on 30 June 2024) of the SMSF's non-residential real property that is located outside Australia.

Don't include at label **Q** the value of overseas non-residential real property that is held on trust under a limited recourse borrowing arrangement (include the value of these properties at label **J3** in item **15b**).

R Overseas residential real property

Did the SMSF own any residential real property that is located outside Australia?

- **No** – Leave label **R** blank. Go to label **S**.
- **Yes** – Read on.

Write at label **R** the value (on 30 June 2024) of the SMSF's residential real property that is located outside Australia.

Don't include at label **R** the value of overseas residential real property that is held on trust under a limited recourse borrowing arrangement (include the value of these properties at label **J3** in item **15b**).

S Overseas managed investments

Did the SMSF own any managed investments with investment managers located outside Australia?

- **No** – Leave label **S** blank.

Go to label **T**.

- **Yes** – Read on.

Write at label **S** the value (on 30 June 2024) of the SMSF's managed investments with investment managers located outside Australia.

This category includes investments with all external investment managers located overseas. An external investment manager is someone appointed by the trustee of the SMSF in accordance with Section 124 of the *Superannuation Industry (Supervision) Act 1993* to make investments on behalf of the SMSF. Investments managed by an external investment manager are often called managed funds.

Don't include at label **S**:

- investments in a managed fund that is registered or located in Australia where the managed fund invests in overseas assets (include their value at item **15a** – label **D Other managed investments**)
- overseas managed investments that are held on trust under a limited recourse borrowing arrangement (include their value at item **15b** – label **J6**).

T Other overseas assets

Did the SMSF own any other assets located outside Australia?

- **No** – Leave label **T** blank. Go to label **U**.
- **Yes** – Read on.

Write at label **T** the value (on 30 June 2024) of the SMSF's other assets that are located outside Australia and could not be included at labels **P** to **S**.

Don't include at label **T** other overseas assets that are held on trust under a limited recourse borrowing arrangement at label **T** (include the value of these assets at item **15b** – label **J6**).

U Total Australian and overseas assets

Write at label **U** the total of labels **A** to **T** (including label **J** but not including labels **J1** to **J6**).

If the total of labels **A** to **T** is negative, write **0** (zero) at label **U**.

If the total of labels **A** to **T** is zero (that is, the SMSF has no assets) write **0** (zero) at label **U**.

An SMSF that has no assets must be wound up. If the SMSF has no assets it must have answered **Yes** in Section **A** at item **9 Was the fund wound up during the income year?**

15e In-house assets

Did the SMSF hold any in-house assets on 30 June 2024?

- **No** – Print **X** in the **No** box at label **A**. Go to item [15f Limited recourse borrowing arrangements](#).
- **Yes** – Read on.

Print **X** in the **Yes** box at label **A**.

Write at label **A** the total value of the in-house assets on 30 June 2024.

Don't include at label **A** any related party investments that are not in-house assets.

Make sure that any amount you include at label **A** are also included at labels **A** to **T** in items **15a**, **15b**, **15c** and **15d**.

Identifying in-house assets

Generally, an in-house asset of an SMSF is an asset that is:

- a loan to a **related party** of the SMSF
- an investment in a **related party** of the SMSF
- an investment in a related trust of the SMSF
- subject to a lease or lease arrangement between the trustee of the SMSF and a **related party** of the SMSF.

Some **in-house asset exceptions** do exist, such as a lease or lease agreement, between the SMSF and a related party of the SMSF involving business real property. There is also a limited exception for certain investments in related non-g geared unit trusts and companies.

For more information on what is an **in-house asset**, see:

- **Part 8** of the *Superannuation Industry (Supervision) Act 1993*
- **SMSFR 2009/4 Self-Managed Superannuation Funds: the meaning of 'asset', 'loan', 'investment in', 'lease' and 'lease arrangement' in the**

definition of an 'in-house asset' in the Superannuation Industry (Supervision) Act 1993.

15f Limited recourse borrowing arrangements

SMSFs that had a Limited recourse borrowing arrangement (LRBA) must complete labels:


- **A If the fund had an LRBA, were the LRBA borrowings from a licensed financial institution?**
- **B Did members or related parties of the fund use personal guarantees or other security for the LRBA?**
- **J Limited recourse borrowing arrangements** at item **15b**
- **V1 Borrowings for limited recourse borrowing arrangements** at item **16**.

SMSFs are prohibited from borrowing to invest except in certain limited circumstances. For more information, see [Limited recourse borrowing arrangements – questions and answers](#).

If the limited recourse borrowing arrangements is zero or blank at labels **J1**, **J2**, **J3**, **J4**, **J5**, **J6** and **J7**, don't mark any checkbox at item **15f** – labels **A** or **B**. This will avoid processing delays.

A If the fund had an LRBA, were the LRBA borrowings from a licensed financial institution?

- **No** – Print **X** in the **No** box. Go to label **B**.
- **Yes** – Print **X** in the **Yes** box. Go to label **B**.

A **licensed financial institution** includes a bank or [authorised deposit-taking institution](#) . Examples of licensed financial institutions include:

- Australian-owned banks
- foreign banks (branches or subsidiaries)
- credit unions
- building societies
- authorised non-operating holding companies

- finance companies.

Answer No if the fund borrowed money under the LRBA from:

- a related party of the fund
- a non-licensed financial institution.

Also answer No if the fund holds more than one LRBA, and the money to acquire at least one (or part) of an asset has been borrowed from a source other than a licensed financial institution.

B Did members or related parties of the fund use personal guarantees or other security for the LRBA?

- **No** – Print **X** in the **No** box. Go to item [16 Liabilities](#).
- **Yes** – Print **X** in the **Yes** box. Go to item [16 Liabilities](#).

Answer **Yes** if:

- a member of the fund or a related party of the fund has provided a personal guarantee or security for the LRBA
- the fund holds more than one LRBA, and a member or related party has used a personal guarantee or other security for at least one of the LRBAs.

16 Liabilities

The labels in item **16 Liabilities** are:

- [V1, V2, V3 and V Borrowings](#)
- [W Total member closing account balances](#)
- [X Reserve accounts](#)
- [Y Other liabilities](#)
- [Z Total liabilities](#).

V1 V2, V3 and V Borrowings

Did the SMSF have any outstanding borrowings (where the SMSF is the borrower)?

- **No** – Leave labels **V1**, **V2**, **V3** and **V** blank. Go to label **W**.

- **Yes** – Read on.

Write at labels **V1** to **V3** the total value of each type of outstanding borrowing by the SMSF (including accrued interest) on 30 June 2024.

SMSFs are prohibited from borrowing to invest except in certain limited circumstances. For more information, see [Limited recourse borrowing arrangements – questions and answers](#).

V1 Borrowings for limited recourse borrowing arrangements

Did the SMSF have any outstanding borrowings held under limited recourse borrowing arrangements?

- **No** – Leave label **V1** blank. Go to label **V2**.
- **Yes** – Read on.

Write at label **V1** the value of outstanding borrowings held under all limited recourse borrowing arrangements at 30 June 2024.

Don't include the value of the assets held under the limited recourse borrowing arrangement here. The values of the assets held on trust under limited recourse borrowing arrangements are to be included at labels **J1** to **J6** and the total at item **15b** – label **J**.

If the SMSF reports borrowings for an LRBA at label **V1**, it must also report at labels:

- **J Limited recourse borrowing arrangements** at item **15b**
- **A** and **B** at item **15f**.

V2 Permissible temporary borrowings

Did the SMSF have any permissible temporary borrowings?

- **No** – Leave label **V2** blank. Go to label **V3**.
- **Yes** – Read on.

Write at label **V2** the value (on 30 June 2024) of any permissible temporary borrowings held by the SMSF.

Permissible temporary borrowings are those borrowings allowed under subsections 67(2), (2A) and (3) of the *Superannuation Industry (Supervision) Act 1993*, and include:

- borrowing money for a maximum of 90 days to meet benefit payments due and required to be made to members, or to meet an outstanding superannuation surcharge liability (where, in either case, the SMSF would not be able to make such a payment without the borrowing), provided the borrowing does not exceed 10% of the value of the SMSF's total assets
- borrowing money for a maximum of 7 days to cover the settlement of certain security transactions (where, at the time the relevant investment decision was made, it was likely that the borrowing would not be required), provided the borrowing does not exceed 10% of the value of the SMSF's total assets.

V3 Other borrowings

Did the SMSF have any other outstanding borrowings?

- **No** – Leave label **V3** blank. Go to label **V**.
- **Yes** – Read on.

Write at label **V3** the value (on 30 June 2024) of all other borrowing amounts.

V Borrowings

Write at label **V** the total of labels **V1**, **V2** and **V3**.

Example: SMSF with multiple borrowings

At 30 June 2024, an SMSF has a beneficial interest in residential land with a market value of \$300,000 held in a trust under a limited recourse borrowing arrangement.

The outstanding amount borrowed under the limited recourse borrowing arrangement at that time is \$100,000.

The SMSF also has \$5,000 in permissible temporary borrowings to meet benefit payments due to members.

The SMSF reports at labels:

Label	Amount

V1 Borrowings for limited recourse borrowing arrangements	\$100,000
V2 Permissible temporary borrowings	\$5,000
V3 Other outstanding borrowings	(Blank)
V Borrowings	\$105,000

W Total member closing account balances

Was the SMSF wound up during 2023–24?

- **No** – Write at label **W** the total value of all member account balances on 30 June 2024.

The amount at label **W** must equal the total of all the label **S Closing account balance** amounts in Sections **F** and **G**.

- **Yes** – Leave label **W** blank.

You must have answered **Yes** in Section **A** at item **9 Was the fund wound up during the income year?**

Go to X.

If you have used a contribution reserve strategy for concessional contributions as described in Taxation Determination TD 2013/22, then ensure that the amount you work out and write at W includes the contributions that were received in 2023–24, even where they were not allocated to a member's account until the following financial year.

X Reserve accounts

Did the SMSF have any assets not allocated to members on 30 June 2024?

- **No** – Leave label X blank. Go to label Y.
- **Yes** – Read on.

Write at label **X** the total value of assets not allocated to members on 30 June 2024.

The use of reserve accounts is strictly limited for SMSFs. For more information see, *SMSF Regulator's Bulletin 2018/1 The use of reserves by self-managed superannuation funds*.

Y Other liabilities

Did the SMSF have other liabilities?

- **No** – Leave label Y blank. Go to label **Z**.
- **Yes** – Read on.

Write at label **Y** the total value (on 30 June 2024) of liabilities that you could not include in labels:

- **V Borrowings**
- **W Total member closing account balances**
- **X Reserve accounts.**

Z Total liabilities

Work out the SMSF's total liabilities at 30 June 2024. Add up all the liabilities at labels **V** to **Y**. Write the total at label **Z**.

If the total of labels V to Y is negative, write **0** (zero) at label **Z**.

If the SMSF was wound up during 2023–24 (that is, it has no liabilities), write **0** (zero) at label **Z**.

Label **Z Total liabilities** must equal label **U Total Australian and overseas assets** in item **15d**.

Continue to: Section I: Taxation of financial arrangements – item 17

Return to: Instructions to complete your SMSF annual return 2024

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Section I: Taxation of financial arrangements – item 17

Complete this section if the taxation of financial arrangements provisions apply to the SMSF.

Published 30 May 2024

When TOFA rules apply

The TOFA rules apply to an SMSF only where:

- the value of the SMSF's assets is \$100 million or more
- the SMSF has elected to have the TOFA rules apply to it.

For the purposes of this test, work out the value of the SMSF's assets at the end of the SMSF's 2022–23 income year. If the SMSF came into existence during 2023–24, work out the value of its assets at the end of its 2023–24 income year.

Once the TOFA rules apply to an SMSF, they will continue to apply to that SMSF even if later, the value of its assets falls below \$100 million.

Do the TOFA rules apply to the SMSF?

- **No** – Leave Section **I** blank. Go to Section **J**.
- **Yes** – Read on.

Effect of the TOFA rules

The TOFA rules provide for:

- the time at which the gains and losses from financial arrangements are brought to account
- methods for taking into account gains and losses from financial arrangements, namely
 - accruals
 - realisation
 - fair value
 - foreign exchange retranslation
 - hedging
 - reliance on financial reports

- balancing adjustments.

For more information, see [Guide to the taxation of financial arrangements \(TOFA\)](#).

H Total TOFA gains

Did the SMSF have an assessable TOFA gain in 2023–24?

- **No** – Leave label **H** blank.
- **Yes** – Write at label **H** the SMSF's total assessable TOFA gains from financial arrangements.

I Total TOFA losses

Did the SMSF have a deductible TOFA loss in 2023–24?

- **No** – Leave label **I** blank.
- **Yes** – Write at label **I** the SMSF's total deductible TOFA losses from financial arrangements.

Continue to: [Section J: Other information](#)

Return to: [Instructions to complete your SMSF annual return 2024](#)

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Section J: Other information

Complete this section if the SMSF has made or is making a family trust election or an interposed entity election.

Published 30 May 2024

Making an election

Has the SMSF made or is it making:

- a family trust election (FTE) or
- an interposed entity election (IEE)?

If you answered:

- **No** – Leave section label **J** blank. Go to Section **K**.
- **Yes** – Read on.

Family trust election (FTE) status

In this section, complete labels:

- [A Year of family trust election](#)
- [B Revoking or varying an FTE](#).

A Year of family trust election

Have the trustees of the SMSF made, or are they making, an FTE?

- **No** – Go to label **B**.
- **Yes** – Read on.

Complete label **A** if the trustees of the SMSF:

- are making an FTE specifying the 2004–05 or later income year (see **Section 272–80** of Schedule 2F to the ITAA 1936), or
- have previously made an FTE specifying an income year from 1994–95 to 2018–19 and that election has not been revoked in an income year before 2023–24 (see **Section 272–80** of Schedule 2F to the ITAA 1936 and, if applicable, item 22 or 22A of Schedule 1 to the *Taxation Laws Amendment (Trust Loss and Other Deductions) Act 1998*).

If the trustees of the SMSF have made, or are making, an FTE, write at label **A** the income year from which that election takes effect – for example, if making an FTE to apply to and from 2023–24, write '2024'.

Provided certain conditions are met, a trustee can make an FTE to take effect from 2023–24 or to take effect from a prior income year, although that prior income year can't be earlier than 2004–05.

Trustees may, however, have previously made an FTE that took effect prior to 2004–05.

If the trustees are making an FTE, complete a **Family trust election, revocation or variation 2024** form. Attach the completed form to the annual return.

B Revoking or varying an FTE

Are the trustees of the SMSF revoking or varying an FTE?

- **No** – Go to label **C**.
- **Yes** – Read on.

Complete label **B** if the trustees of the SMSF:

- are revoking in 2023–24 a previously made FTE (see subsections 272-80(6) to (8) of Schedule 2F to the ITAA 1936), or
- are varying the specified individual of a previously made FTE (see subsections 272-80 (5A) to (5D) and (6B) to (8) of Schedule 2F to the ITAA 1936).

Print at label **B** the appropriate **code** from **Table 13**.

Table 13 – FTE revocation or variation codes

Code letter	Meaning
R	The FTE made by the trustee of the SMSF is being revoked in 2023–24.
V	The specified individual of an FTE is being varied from a time in 2023–24.

In certain limited circumstances an SMSF may revoke the FTE, or vary the FTE, so that a different individual is specified as the individual whose family group is taken into account for the election.

A trustee can't vary the specified individual or revoke an FTE unless the variation or revocation is in respect of an income year that occurs during the period:

- starting at the beginning of the income year specified in the election and finishing at the end of the fourth income year after the income year specified in the election
- starting on 1 July 2007 and finishing on 30 June 2009.

The trustee may only vary the specified individual of an FTE once, except where doing so under **subsection 272-80(5C)** of Schedule 2F to the ITAA 1936 for a relevant family law order, agreement or award.

The trustee must make the variation or revocation of an election with the annual return for the income year from which the variation or revocation is to take effect.

Accordingly when revoking an FTE or varying the specified individual of an FTE in 2023–24, you must attach a **Family trust election, revocation or variation 2024** to the SMSF's annual return.

If you don't lodge the annual return electronically using PLS, and you are lodging a *Family trust election, revocation or variation 2024* with the annual return, send the annual return and the attachments to:

Australian Taxation Office
GPO Box 9845
IN YOUR CAPITAL CITY

Interposed entity election status

In this section, complete labels:

- [C Year of interposed entity election \(IEE\)](#)
- [D Revoking an IEE.](#)

C Year of interposed entity election (IEE)

Have the trustees of the SMSF made, or are they making, an IEE?

- **No** – Go to label **D**.
- **Yes** – Read on.

Complete label **C** if the trustees of the SMSF:

- are making one or more interposed entity elections (IEEs) specifying a day in the 2004–05 or a later income year (see **Section 272-85** of Schedule 2F to the ITAA 1936), or
- have previously made one or more IEEs specifying a day in any income year from 1994–95 to 2022–2023 and at least one election has not been revoked in an income year before 2023–24 (see **Section 272-85** of Schedule 2F to the ITAA 1936 and, if applicable,

item 23 or 23A of Schedule 1 to the *Taxation Laws Amendment (Trust Loss and Other Deductions) Act 1998*).

If the trustees are making one or more IEEs specifying a day in the 2004–05 or later income year:

- write at label **C** the earliest income year specified
- complete an *Interposed entity election or revocation 2024* for each IEE. Attach the completed forms to the annual return.

If the trustees are not making an IEE but have previously made one or more IEEs specifying a day in an income year before 2023–24, write the earliest income year specified at label **C**.

Provided certain conditions are met, a trustee can make an IEE:

- to take effect after a specified day in 2023–24
- to take effect after a specified day in a prior income year not earlier than 2004–05.

Don't attach an election form to the annual return specifying an income year before 2004–05. However, trustees may have previously made one or more IEEs that took effect after a specified day in an income year prior to 2004–05.

D Revoking an IEE

Are the trustees of the SMSF revoking an IEE?

- **No** – Go to Section **K**.
- **Yes** – Read on.

Print **R** at label **D** if the trustees of the SMSF are revoking, from 2023–24, one or more previously made IEEs.

An IEE can be revoked in certain limited circumstances (see subsections 272-85(5A) to (6) of Schedule 2F to the ITAA 1936).

A trustee cannot revoke an IEE unless the revocation is in respect of an income year that occurs during the period either:

- beginning on 1 July 2007 and finishing on 30 June 2009, or
- beginning at the later of
 - the start of the income year specified in the election, and

- the start of the income year in which the entity became a member of the family group, and
- finishing at the end of the fourth income year after the income year referred to in the above 2 points.

You must make the revocation with the annual return for the income year from which the revocation is to take effect. Accordingly, you must attach an *Interposed entity election or revocation 2024* to the SMSF's annual return.

If you are not lodging the annual return electronically using PLS and you are lodging an *Interposed entity election or revocation 2024* form with the annual return, send the annual return and the attachments to:

Australian Taxation Office
GPO Box 9845
IN YOUR CAPITAL CITY

Example: making new elections – specifying the current year

The trustee has not previously made an FTE or an IEE but wants to make:

- an FTE specifying 2023–24, and
- an IEE specifying a day in 2023–24.

The trustee:

- writes **2024** at label **A**
- writes **2024** at label **C**
- completes a *Family trust election, revocation or variation 2024* form specifying 2023–24, to provide details of the FTE the trustee of the SMSF is making
- completes an *Interposed entity election or revocation 2024* form specifying a day in 2023–24, to provide details of the IEE the trustee of the SMSF is making
- attaches the completed forms to the annual return.

Example: making new elections – specifying an earlier year

The trustee has not previously made an FTE or an IEE but wants to make both:

- an FTE specifying 2005–06
- an IEE specifying a day in 2005–06.

The trustee:

- writes **2006** at label **A**
- writes **2006** at label **C**
- completes a *Family trust election, revocation or variation 2024* form, specifying 2005–06, to provide details of the FTE the trustee of the SMSF is making
- completes an *Interposed entity election or revocation 2024* form, specifying a day in 2005–06, to provide details of the IEE the trustee of the SMSF is making
- attaches the completed forms to the annual return.

Example: an SMSF with existing elections

The trustee has previously made both:

- an FTE specifying 1994–95
- an IEE specifying a day in 1994–95.

The trustee:

- writes **1995** at label **A**
- writes **1995** at label **C**.

The trustee does not need to complete

- a *Family trust election, revocation or variation 2024*
- an *Interposed entity election or revocation 2024*.

Continue to: [Section K: Declarations](#)

[Return to: Instructions to complete your SMSF annual return 2024](#)

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Section K: Declarations

Complete this section for the SMSF. Declare that you have met your obligations in relation to the SMSF annual return.

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Trustee's or director's declaration

All trustees, or all directors of the body corporate if the SMSF has a corporate trustee, are equally responsible and accountable for managing the SMSF and making sure it complies with the law.

Signing this declaration confirms that:

- the information supplied is true, and
- all trustees, and all directors of the body corporate if the SMSF has a corporate trustee, have authorised this annual return.

All trustees of the SMSF, and all directors of the body corporate if the SMSF has a corporate trustee, should:

- authorise the annual return
- document their authorisation in the SMSF's records
- review the audit undertaken on the SMSF before they authorise the annual return.

We may impose penalties for providing false or misleading information. The penalty can apply to shortfall amounts and to statements that don't result in a change in a tax liability.

Preferred trustee or director contact details

Write the name and contact details of the individual (not the tax agent) that we can contact if required.

Provide a contact phone number including area code.

Non-individual trustee name (if applicable)

Write the name and ABN of the corporate trustee, referred to here as non-individual trustee, if the SMSF has one.

Time taken to prepare and complete this annual return

We want to reduce the cost of complying with the SMSF's taxation and regulatory obligations. Your response to this question is voluntary.

When completing this annual return, how much time, rounded up to the nearest hour, did you spend:

- reading the annual return instructions
- collecting the necessary information to complete this annual return
- making the necessary calculations
- completing this annual return or putting the tax affairs of the SMSF in order so the information can be handed to the SMSF's registered tax agent?

Include the time spent preparing and completing the annual return by:

- the trustee
- the tax agent
- any other person who helped.

Tax agent's declaration

If the tax agent is a partnership or a company, a person authorised by that partnership or company must sign this declaration. Write that person's name at this question.

Tax agent's contact details

Write the tax agent's title, name, phone number, area code and:

- the **name** of the tax agent's practice under **Tax agent's practice**
- the **client number** that the tax agent has allocated to the SMSF under **Reference number**
- the number that the **Tax Practitioners Board** has issued to the tax agent under **Tax agent number**.

Continue to: Appendixes for the SMSF annual return

Return to: Instructions to complete your SMSF annual return 2024

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Appendixes for the SMSF annual return

Additional information to help complete certain sections of your Self-managed superannuation fund annual return.

Published 30 May 2024

Appendix 1: Capital works deductions



Use Appendix 1 to work out deductions for capital works expenditure.

Appendix 2: Forestry managed investment schemes



Use Appendix 2 to work out how to complete forestry managed investment schemes item of the annual return.

Appendix 3: Definitions



Use Appendix 3 to find definitions for terms used in the annual return instructions.

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Appendix 1: Capital works deductions

Use Appendix 1 to work out deductions for capital works expenditure.

Published 30 May 2024

Capital works

Division 43 of the Income Tax Assessment Act 1997 (ITAA 1997) provides for a system of deducting capital expenditure incurred in the construction of buildings and other capital works used to produce assessable income.

You can deduct construction costs for the following capital works:

- buildings or extensions, alterations or improvements to a building either
 - begun in Australia after 21 August 1979
 - begun outside Australia after 21 August 1990
- structural improvements or extensions, alterations or improvements to structural improvements begun after 26 February 1992
- environmental protection earthworks on which the expenditure was incurred after 18 August 1992.

Deductions for construction costs must be based on actual costs incurred. If it is not possible to genuinely determine the actual costs, obtain an estimate by a quantity surveyor or other independent qualified person. The costs incurred by the SMSF to obtain this estimate are deductible as a tax-related expense, not as an expense in gaining or producing assessable income.

Different deduction rates apply (2.5% or 4%) depending on the date on which construction began, the type of capital works, and the manner of use.

Who can claim?

The SMSF can claim a deduction under **Division 43** for an income year only if it:

- owns, leases, or holds under quasi-ownership rights, part of a construction expenditure area of capital works ('your area')
- incurred the construction expenditure or is an assignee of the lessee or holder who incurred the expense (in the case where the fund is a lessee of the capital works or is a holder of a quasi-ownership right)
- uses 'your area' in a deductible way (which generally means to produce assessable income).

In calculating the SMSF's deduction identify 'your area' for each construction expenditure area of the capital works. Your area may comprise the whole of the construction area or part of it.

Lessee or holder of capital works

A lessee or holder can claim a deduction for an area of capital works leased or held under a quasi-ownership right.

To claim a deduction the lessee or holder must have:

- incurred the construction expenditure or been an assignee of the lessee who incurred the expenditure
- continuously leased or held the capital works area itself or leased or held the area that had been so held by previous lessees, holders or assignees since completion of construction
- used the area in a deductible way (which generally means to produce assessable income).

If there is a lapse in the lease, the entitlement to the deduction reverts to the building owner.

Requirement for deductibility

An SMSF can deduct an amount for capital works in an income year if:

- the capital works have a 'construction expenditure area'
- there is a 'pool of construction expenditure' for that area
- the SMSF uses the area in the income year in a deductible way (which generally means to produce assessable income) set out in Section 43-140 of the ITAA 1997.

No deduction until construction is complete

An SMSF can't claim a deduction for any period before the completion of construction of the capital works even though the SMSF used them, or part of them, before completion. Additionally, the deduction can't exceed the undeducted construction expenditure for your area, see Section 43-30 of the ITAA 1997.

When capital works begin

Capital works are taken to have begun when the first step in the construction phase starts, for example, pouring foundations or sinking pylons for a building (see Section 43-80 of the ITAA 1997).

Establishing the deduction base

The SMSF can deduct an amount for capital works if there is a construction expenditure area for the capital works.

Whether there is such an area and how it is identified depends on:

- the type of expenditure incurred (only construction expenditure as defined in Section 43-70 of the ITAA 1997 is deductible under Division 43 of the ITAA 1997)
- the time the capital works commenced
- the area of the capital works to be owned, leased or held by the entity that incurred the expenditure
- for capital works begun before 1 July 1997, the area of the capital works that was to be used in a particular manner (see Section 43-90 of the ITAA 1997).

Construction expenditure

Construction expenditure includes:

- preliminary expenses, such as architect's fees, engineering fees, foundation excavation expenses, and costs of building permits
- costs of structural features that are an integral part of the income-producing building or income-producing structural improvements, for example, lift wells and atriums
- some portion of indirect costs.

For an owner-builder entitled to a deduction under Division 43 of the ITAA 1997, the value of their contributions to the works (that is, labour or expertise and any notional profit element) don't form part of construction expenditure. See Taxation Ruling TR 97/25 *Income tax: property development: deduction for capital expenditure on construction of income producing capital works, including buildings and structural improvements*.

Construction expenditure does not include expenditure on:

- acquiring land
- demolishing existing structures
- clearing, levelling, filling, draining or otherwise preparing the construction site before carrying out excavation work
- landscaping
- plant
- property for which a deduction is allowable or would be allowable if the property were to be used for the purpose of producing assessable income under another specified provision of the ITAA 1936 or the ITAA 1997.

Construction expenditure area

The construction of the capital works must be complete before the construction expenditure area is determined. A separate construction expenditure area is created each time an entity undertakes the construction of capital works.

The construction expenditure area for capital works that started after 30 June 1997 is the part of the capital works on which the construction expenditure was incurred by an SMSF that, at the time it was incurred, was to be owned, leased or held (under quasi-ownership rights) by the SMSF.

For the construction expenditure incurred before 1 July 1997, the capital works must have been constructed for a specified use at the time of completion, depending on the time when the capital works commenced. The first specified use construction time was 22 August 1979, see **Section 43-90** and **subsection 43-75(2)** of the ITAA 1997.

No deduction is available under Division 43 of the ITAA 1997 for capital works which began in Australia, on or before 21 August 1979 or outside Australia on or before 21 August 1990 (see **subsection 43-20(1)** of the ITAA 1997).

Pool of construction expenditure

The pool of construction expenditure is the portion of the construction expenditure incurred on capital works, which is attributable to the construction expenditure area.

The portion of the pool of construction expenditure that is attributable to the area that is owned, leased or held by the SMSF is called 'your construction expenditure'.

Deductible use

An SMSF can only claim a deduction under Division 43 of the ITAA 1997 if it uses the area ('your area') in a way described in **Table 43-140** or **Table 43-145** of Subdivision 43-D of the ITAA 1997.

Special rules about uses

'Your area' is taken to be used for a particular purpose or in a particular manner if either:

- it is maintained ready for that use and is not used for another purpose, and its use had not been abandoned
- its use has temporarily ceased because of construction or repairs, or seasonal or climatic conditions.

'Your area' is not accepted as being used to produce assessable income:

- if it is a building (other than a hotel building or apartment building) used or for use wholly or mainly for exhibition or display in connection with the sale of all or part of any building, where construction began after 17 July 1985 but before 1 July 1997, if construction began after 30 June 1997, buildings that are used for display are eligible
- if it is a building where construction began after 19 July 1982 and before 18 July 1985 and it is used wholly or mainly for either
 - in association with, residential accommodation
 - exhibition or display in connection with the sale of all or part any building, or lease of all or part of any building for use wholly or mainly for, or in association with, residential accommodation and is not a hotel or apartment building or an extension, alteration or improvement to such a building
- to the extent the building (other than a hotel building or apartment building) is for use mainly for, or in association with, residential accommodation by the SMSF or an associate, see **subsection 43-170(2)** of the ITAA 1997 for exceptions to this rule.

'Your area' is taken to be used wholly or mainly as, or in association with, residential accommodation if it is either:

- property (other than a hotel building or apartment building) and is part of an individual's home
- a building (other than a hotel building or apartment building) where construction began after 19 July 1982 and before 18 July 1985 and that is used or for use, wholly or mainly for the purpose of operating a hotel, motel or guest house. Thus a hotel, motel or guest house, for which construction began during the specified time, and which does not qualify as a hotel building or apartment building (for example, because it has fewer than 10 bedrooms or apartments) does not qualify for a deduction under Division 43.

Special rules for hotel and apartment buildings are contained in Section 43-180 of the ITAA 1997.

Calculation and rate of deduction

The SMSF's entitlement to a deduction begins on the date the building is first used to produce assessable income after construction is completed. The first and last years of use may be apportioned. The entitlement to a deduction runs for either 25 or 40 years (the limitation period) depending on the rate of deduction applicable.

The legislation contains 2 calculation provisions:

- **Section 43-215** of the ITAA 1997 covers deduction for capital works which began before 27 February 1992
- **Section 43-210** of the ITAA 1997 covers deduction for capital works which began after 26 February 1992.

Capital works begun before 27 February 1992 and used as described in table 43-140 of the Income Tax Assessment Act 1997

Calculate the deduction separately for each part of capital works that meets the description of 'your area'.

The applicable rate is either 4% if the capital works began after 21 August 1984 and before 16 September 1987, or 2.5% in any other case.

The amount of the deduction may be reduced in certain circumstances. This includes where your area was used only partly for the purpose of producing assessable income. The amount the SMSF claims can't exceed the undeducted construction expenditure.

Capital works begun after 26 February 1992

Calculate the deduction separately for each part of the capital works that meets the description of 'your area'.

There is a basic entitlement to a rate of 2.5% for parts used as described in **Table 43-140**: Current year use. The rate is 4% for parts used as described in **Table 43-145**: Use in the 4% manner.

The amount of deduction may be reduced in certain circumstances, including where your area was used only partly for the purpose of producing assessable income. The amount the SMSF claims can't exceed the undeducted construction expenditure.

Undeducted construction expenditure

The undeducted construction expenditure for your area is the part of your construction expenditure that remains to write off. It is used to work out:

- the number of years in which the SMSF can deduct amounts for construction expenditure
- the amount that the SMSF can deduct under **Section 43-40** of the ITAA 1997 if your area or a part of it is destroyed.

The methods for calculating undeducted construction expenditure are included in sections **43-230**, **43-235** and **43-240** of the ITAA 1997.

Balancing deduction on destruction

If a building is destroyed in the circumstances described in **Section 43-40** of the ITAA 1997 during an income year, you can claim a deduction for the remaining amount of undeducted construction expenditure that has not yet been deducted, less any compensation received. This applies even if the destruction or demolition is voluntary.

You can claim the deduction in the income year in which the destruction occurs. The deduction is reduced if the capital works are used in an income year only partly for the purpose of producing assessable income.

The method statement for calculating the amount of the balancing deduction is included at **Section 43-250** of the ITAA 1997.

For more information, see:

- Taxation Ruling **TR 97/25** *Income tax: property development: deduction for capital expenditure on construction of income producing capital works, including buildings and structural improvements*
- **Capital works deductions**
- Taxation Ruling **TR 2007/9** *Income tax: circumstances when an item used to create a particular atmosphere or ambience for premises used in a cafe, restaurant, licensed club, hotel, motel or retail shopping business constitutes an item of plant.*

Return to:

- **Appendixes for the SMSF annual return**

- Instructions to complete your SMSF annual return 2024

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Appendix 2: Forestry managed investment schemes

Use Appendix 2 to work out how to complete forestry managed investment schemes item of the annual return.

Published 30 May 2024

Forestry managed investment schemes

Division 394 of the ITAA 1997 sets out rules about deductions for contributions to forestry managed investment schemes (FMIS). It also sets out the tax treatment of proceeds from the sale of interests in such schemes, and of proceeds from harvesting trees under such schemes.

The treatment of FMIS also allows for secondary market trading of interests in such schemes. As a result, there are 2 different types of investors:

- initial participants
- subsequent participants.

The [FMIS income](#) and FMIS deductions that the SMSF must report depend on whether it is an initial or subsequent participant.

An SMSF that invests in an FMIS shows:

- capital gains from an FMIS at label **A Net capital gain** in Section **B**
- income from an FMIS at label **X Forestry managed investment scheme** in Section **B**
- deductible and non-deductible payments made to an FMIS at labels **U1** or **U2 Forestry managed investment scheme expense** in

Section C.

If the SMSF is a member of a collapsed agribusiness managed investment scheme, then to help you calculate the SMSF's income and deductions, see [Collapse and restructure of agribusiness managed investment schemes – participant information](#).

FMIS income

The FMIS income for initial and subsequent participants are outlined below.

Initial participants in an FMIS

As an initial participant in FMIS, consider:

- [Thinning receipts](#)
- [Sale and harvest receipts – forestry interest no longer held](#)
- [Sale and harvest receipts – forestry interest still held](#).

Thinning receipts

Include at label **X Forestry managed investment scheme income** in Section **B** the amount of thinning proceeds received by the SMSF from its forestry interest.

Sale and harvest receipts – forestry interest no longer held

Include the market value of the forestry interest at the time of the CGT event at label **X Forestry managed investment scheme income** if the SMSF:

- ceased holding its forestry interest as a result of a CGT event (because it sold its interest or it received harvest proceeds) and
- has claimed a deduction, or can claim a deduction, or would be entitled to deduct such amounts but for a CGT event happening within 4 years after the end of the income year in which the SMSF first pays an amount under the FMIS.

Sale and harvest receipts – forestry interest still held

Include at label **X Forestry managed investment scheme income** in section **B** the amount by which the market value of the forestry

interest was reduced as a result of the CGT event, if:

- a CGT event happened and the SMSF still holds its forestry interest (because it sold part of its interest or there was a partial harvest) and
- the SMSF has claimed a deduction, or can claim a deduction, or would be entitled to deduct such amounts but for a CGT event happening within 4 years after the end of the income year in which the SMSF first pays an amount under the FMIS.

Subsequent participants in an FMIS

As a subsequent participant in FMIS, consider:

- [Thinning receipts](#)
- [Sale and harvest receipts: forestry interest no longer held](#)
- [Sale and harvest receipts: forestry interest still held](#).

Thinning receipts

Include at label **X Forestry managed investment scheme income** in Section **B** the amount of thinning proceeds received by the SMSF from its forestry interest.

Sale and harvest receipts: forestry interest no longer held

If the SMSF:

- ceased holding its forestry interest as a result of a CGT event (because it sold its interest or it received harvest proceeds), and
- can deduct or has deducted amount paid under the FMIS for an income year, or could deduct such amounts for an income year if the SMSF had paid the amount under the FMIS in that income year.

Include the lesser of the following 2 amounts at label **X Forestry managed investment scheme income** in Section **B**:

- the market value of the forestry interest at the time of the CGT event, or
- the amount (if any) by which the total forestry scheme deductions exceed the incidental forestry scheme receipts ('net deductions').

[Example: Sale receipts: forestry interest no longer held](#) shows how to calculate the amount to include at label **X Forestry managed**

investment scheme income where the SMSF sold its forestry interest. It also shows the capital gains tax consequences.

Write the SMSF's net capital gains in Section **B** at label **A Net capital gain** rather than at label **X Forestry managed investment scheme income**. For more information on the CGT treatment of the SMSF's forestry interests, see **Capital gains tax**.

Sale and harvest receipts: forestry interest still held

Include at label **X Forestry managed investment scheme income** in Section **B** the amount worked out below if the forestry interest is still held, and both:

- a CGT event happened and the SMSF still held its forestry interest (because it sold part of its interest or it received partial harvest proceeds)
- the SMSF can deduct, or has deducted, or could have deducted an amount if the SMSF had paid the amount under the FMIS in relation to the forestry interest.

Use the following steps to work out the amount included at label **X Forestry managed investment scheme income** in Section **B**.

Step 1: Work out the lesser amount

- The market value of the forestry interest at the time of the CGT event.
- The amount (if any) by which the total forestry scheme deductions exceed the incidental forestry scheme receipts (net deductions).

Step 2: Work out the income amount

Use the lesser of the 2 amounts you worked out above in the following formula:

Lesser of the 2 amounts worked out above **multiplied by** [the decrease (if any) in the market value of the forestry interest (as a result of the CGT event), **divided by** the market value of the forestry interest just before the CGT event].

In a future income year (a year in which the SMSF receives further proceeds from a harvest or the sale of its forestry interest), disregard the amount of the net deductions that has already been included at label **U1** in Section **C**.

Step 3: Complete this label

Add up all the amounts you worked out for the SMSF's FMIS income and write the total at label **X Forestry managed investment scheme income**

Show the SMSF's net capital gains in Section **B** at label **A Net capital gain** rather than at label **X Forestry managed investment scheme income**. For more information on the CGT treatment of the SMSF's forestry interests, see **Capital gains tax**.

See [Example: harvest receipts: forestry interest still held](#) for how to calculate the amount to include at label **X Forestry managed investment scheme income**, where the SMSF:

- receives a harvest payment
- still holds the forestry interest.

It also shows the capital gains tax consequences.

Example: sale receipts: forestry interest no longer held

Cedar Superannuation Fund is an SMSF and a subsequent participant in an FMIS. Cedar Superannuation Fund sold its forestry interest (held on capital account) for \$20,000 (market value). The sale of the forestry interest is a CGT event. The original cost base for the forestry interest is \$14,000.

During the time that Cedar Superannuation Fund held the forestry interest, it claimed \$4,000 in deductions (its total forestry scheme deductions) for lease fees, annual management fees and the cost of felling that it paid to the forestry manager.

During the same period, Cedar Superannuation Fund received \$1,500 from thinning proceeds (its incidental forestry scheme receipts).

Cedar Superannuation Fund include \$2,500 (that is, \$4,000 subtract \$1,500) at label **X Forestry managed investment scheme income** in its SMSF annual return, because this amount is less than the market value of its forestry interest at the time of the CGT event.

Capital gains tax notes

- Cedar Superannuation Fund will take the amount that it included at label **X Forestry managed investment scheme income** into account when working out the amount to include at label **A Net capital gain**.
- The capital gain would be \$3,500, which is capital proceeds of \$20,000 less cost base of \$16,500 (made up of \$14,000 plus \$2,500 that was included in assessable income).

Example: harvest receipts: forestry interest still held

Oakey Superannuation Fund is an SMSF and a subsequent participant in an FMIS. Oakey Superannuation Fund holds the forestry interest on capital account and received a harvest proceeds payment of \$5,000 in 2023–24. Oakey Superannuation Fund's interest has been reduced by 25%.

The market value of Oakey Superannuation Fund's forestry interest just before it received payment for the harvest (a CGT event) is \$20,000. After Oakey Superannuation Fund received this harvest payment, the market value of its forestry interest was reduced to \$15,000. The original cost base for the forestry interest is \$14,000.

During the time Oakey Superannuation Fund has held the forestry interest, it claimed \$4,000 in deductions (its total forestry scheme deductions) for lease fees, annual management fees and the cost of felling that it paid to the forestry manager.

During the same period, Oakey Superannuation Fund received \$1,500 from thinning proceeds (its incidental forestry scheme receipts).

Step 1: Work out the lesser of the market value and net deductions.

The market value of the forestry interest (at the time of the CGT event) is \$20,000.

The amount by which the total forestry scheme deductions exceed the incidental forestry scheme receipts is \$2,500 (that is, \$4,000 minus \$1,500) net deductions.

The amount used in step 2 is \$2,500 (net deductions).

Step 2: Work out the amount to disregard using the amount from step 1.

$$\$2,500 \times (\$5,000 \div \$20,000) = \$625$$

Oakey Superannuation Fund disregards the \$625 when determining the amount to include in step 2 for any future income year when it receives harvest proceeds or sell its forestry interest. This is because the \$625 amount is already reflected in its assessable income in the current income year.

Step 3: Oakey Superannuation Fund includes \$625 at label **X Forestry managed investment scheme income**.

The remainder of each of total forestry scheme deductions and incidental forestry scheme receipts (\$2,500 subtract \$625, that is, \$1,875) that is not included at label **X Forestry managed investment scheme income** in 2023–24 will be reported in a future income year (the year in which the SMSF receives further proceeds from the harvest or sale of its forestry interest).

For example, if in 2024–25 Oakey Superannuation Fund received the balance of harvest proceeds of \$15,000 (at the time of the CGT event, the market value of its forestry interest is \$15,000) and it had no further forestry scheme deductions or incidental forestry scheme receipts, it would include the balance of \$1,875 as assessable income in 2024–25.

Capital gains tax notes

- Oakey Superannuation Fund has disposed of 25% of its forestry interest. The SMSF will take the amount that it included at label **X Forestry managed investment scheme income** into account when working out the amount to include at label **A Net capital gain**.
- For 2023–24, the capital gain would be \$875 (capital proceeds of \$5,000 less apportioned original cost base of \$4,125 (made up of \$3,500 (25% of \$14,000) plus \$625) that is included in assessable income).

FMIS expenses

Write payments made to an FMIS at either label **U1** or **U2 Forestry managed investment scheme expense** in Section **C**.

The SMSF may be entitled to claim a deduction at label **U1 Deductible forestry managed investment scheme expenses** in Section **C** for payments made to an FMIS if:

- the income from the FMIS is not exempt – see exempt current pension income
- the SMSF currently holds a forestry interest in an FMIS, or held a forestry interest in an FMIS during 2023–24
- the SMSF paid an amount to a forestry manager of an FMIS under a formal agreement
- the forestry manager has advised the SMSF that the FMIS satisfies the 70% direct forestry expenditure rule in Division 394 of the ITAA 1997
- the SMSF does not have day to day control over the operation of the scheme
- there is more than one participant in the scheme or, the forestry manager or an associate of the forestry manager manages, arranges or promotes similar schemes
- the trees are established within 18 months of the end of the income year in which an amount is first paid under the FMIS by a participant in the scheme.

If the SMSF is an **initial participant** in an FMIS it can claim a deduction for initial and ongoing payments at this question. The SMSF cannot claim a deduction if a CGT event happens in relation to its forestry interest in an FMIS within 4 years after the end of the income year in which it first made a payment under the FMIS. However, the deduction will not be denied for that reason if the CGT event happens because of circumstances outside of the SMSF's control, provided the SMSF could not have reasonably foreseen the CGT event happening when it acquired the interest. CGT events happening that would generally be outside the SMSF's control may include compulsory acquisition, insolvency of the SMSF or the scheme manager, or cancellation of the interest due to fire, flood or drought.

If the SMSF is a **subsequent participant**, it can't claim a deduction for the amount paid to acquire the interest. The SMSF can only claim a deduction for ongoing payments.

The deduction is claimed in the income year in which the payment is made.

Excluded payments

The SMSF can't claim a deduction at label **U1 Deductible forestry managed investment scheme expenses** in Section **C** for any of the following payments:

- payments for borrowing money
- payments of interest and payments in the nature of interest (such as a premium on repayment or redemption of a security, or a discount of a bill or bond)
- payments of stamp duty
- payments of goods and services tax (GST)
- payments that relate to transportation and handling of felled trees after the earliest of the following
 - sale of the trees
 - arrival of the trees at the mill door
 - arrival of the trees at the port
 - arrival of the trees at the place of processing (other than where processing happens in-field)
- payments that relate to processing
- payments that relate to stockpiling (other than in-field stockpiling).

While the payments are not deductible under Division 394 of the ITAA 1997, the payments may be deductible under other provisions of the ITAA 1997 or ITAA 1936 and claimable at other questions.

Return to:

- Appendixes for the SMSF annual return
- Instructions to complete your SMSF annual return 2024

Appendix 3: Definitions

Use Appendix 3 to find definitions for terms used in the annual return instructions.

Published 30 May 2024

Accumulation fund

An SMSF is an **accumulation fund** if the SMSF provides its members with a benefit which is the total of:

- contributions made into the fund by, or on behalf of, the member, **plus**
- earnings on those contributions, **minus**
- any costs attributed to the member.

This SMSF is considered an accumulation fund even if the SMSF or any of its accounts is supporting a super income stream benefit.

Active member

A member is considered to be an **active member** of an SMSF if:

- they are a contributor to the SMSF, or
- contributions to the SMSF have been made on their behalf (and they are not covered by the next paragraph).

A member on whose behalf contributions have been made to the SMSF is not an active member if:

- they are not a resident of Australia
- they are not currently a contributor, and
- the only contributions that were made on their behalf after they ceased to be an Australian resident were made in relation to a time when they were an Australian resident.

Arm's length income

Income is arm's length income unless it meets the definition of non-arm's length income. Complying SMSFs must consider each component of their income and decide if it is non-arm's length income.

Australian super fund

If an SMSF satisfies **all 3** of the following tests at the same time at any point in the income year, then it is an Australian super fund for the entire income year:

- The SMSF was established in Australia, or at least one of the SMSF's assets is located in Australia.
- The [central management and control](#) of the SMSF is ordinarily in Australia.
- Either
 - the SMSF has no [active members](#), or
 - it has active members who are Australian residents and who hold at least 50% of
 - the total market value of the SMSF's assets attributable to super interests held by active members, or
 - the sum of the amounts that would be payable to or in respect of active members if they voluntarily ceased to be members.

If the SMSF does not meet the definition of **Australian superannuation fund** at all times during the income year, the SMSF is not a [complying SMSF](#) and it will not receive the concessional rate of tax.

For more information, see Taxation Ruling TR 2008/9 *Income tax: meaning of 'Australian superannuation fund' in subsection 295-95(2) of the Income Tax Assessment Act 1997*.

Central management and control

The **central management and control** of an SMSF is ordinarily in Australia if the SMSF's strategic and high level decisions are regularly made in Australia. These decisions are generally made by the trustees of the SMSF.

The SMSF will continue to meet the central management and control requirement in cases where the SMSF's central management and

control is temporarily, that is for a period of 2 years or less, outside Australia. The SMSF will not continue to meet the central management and control requirement if the central management and control of the SMSF is **permanently** outside Australia.

Child

A person's children include:

- their adopted children, stepchildren or ex-nuptial children
- their spouse's children
- someone who is the person's child within the meaning of the *Family Law Act 1975* (for example, a child who is considered to be a child of the person under a State or Territory court order giving effect to a surrogacy arrangement).

Compassionate grounds

A release on **compassionate grounds** is a lump sum payment paid to a member in order to meet an eligible expense. Eligible expenses include:

- medical treatment or medical transport for you or your dependant
- preventing foreclosure of forced sale of your home
- modifying your home or vehicle to accommodate special needs arising from your or your dependant's severe disability
- palliative care for you or your dependant
- expenses associated with the death, funeral or burial of your dependant.

The ATO is responsible for determining whether a person has satisfied the criteria for a release of super benefits under compassionate grounds. A member needs to apply to the ATO and receive an approval determination from the ATO before the amount can be paid.

These determinations only permit a single payment of super up to the amount approved. The payment needs to be taxed as a normal super lump sum, with any tax withheld being in addition to the amount approved.

For more information, see **Early access on compassionate grounds**.

Complying SMSF

The compliance status of an SMSF affects how you report income and the tax rates that apply. An SMSF is a complying super fund if:

- it is an [Australian superannuation fund](#) at all times during the income year, and
- we have not issued the SMSF with a *Notice of non-compliance*.

A tax rate of 45% applies to the taxable income of a non-complying SMSF. In the year that an SMSF becomes a non-complying SMSF, the SMSF will typically pay additional tax as a result of that change in its status. For more information, see **T Assessable income due to changed tax status of fund**.

Contribution

A contribution can be anything of value that increases the capital of an SMSF provided by a person whose purpose is to benefit one or more members of the SMSF.

For more information about our view on the meaning of contribution, how a contribution can be made and when a contribution is made, see Taxation Ruling TR 2010/1 *Income tax: superannuation contributions*.

Death benefit

A **death benefit** is a lump sum benefit payment or income stream benefit payments made by the SMSF to a person other than the member because of the death of the member of the SMSF.

For more information, see **Death of a member**.

Defined benefit fund

An SMSF is a **defined benefit fund** if the SMSF provides its members with a benefit that is calculated from a formula based on a combination of factors, including the years of membership in the SMSF and average salary level over a specific time.

Dependant

A **dependant** for death benefit purposes is:

- a spouse or de facto spouse of the deceased
- a former spouse or de facto spouse of the deceased
- a child of the deceased under 18 years of age
- a person who, at the time of death, relied on the deceased for financial maintenance, or
- any person who, at the time of death, lived with the deceased in a close personal relationship where one or both of them provided the other with financial and domestic support and personal care.

A **non-dependant** for super death benefit purposes is a person who does not fall into one of the categories of dependants listed above.

Exempt current pension income

If the SMSF paid retirement phase superannuation income stream benefits to one or more members during the current income year, some or all of its otherwise assessable income is tax exempt under the 'exempt current pension income' rules unless it is non-arm's length income or assessable contributions. This tax exempt income is known as 'exempt current pension income' or ECPI.

For more information, see [How expenses are treated when an SMSF has ECPI](#).

First Home Super Saver Scheme

The First Home Super Save scheme (FHSS) scheme allows individuals to make voluntary contributions (both before-tax concessional and after-tax non-concessional) into their super fund to save for their first home. Individuals can apply to have a maximum of \$15,000 of their voluntary contributions from any one financial year included in their eligible contributions to be released under the FHSS scheme, up to a total of \$50,000 contributions across all years.

- Individuals need to be 18 years old or older to request a FHSS determination or a release of amounts under the FHSS scheme.
- Individuals cannot have owned any property in Australia before including land, investment or commercial property (unless financial hardship applies).

- Individuals can only use the scheme once.

Forestry managed investment scheme initial participant

The SMSF is an **initial participant** in a forestry managed investment scheme (FMIS) if:

- the SMSF obtained its forestry interest in the FMIS from the **forestry manager** of the scheme, and
- the SMSF's payment to obtain the **forestry interest** in the FMIS results in the establishment of trees.

The **forestry manager** of an FMIS is the entity that manages, arranges or promotes the FMIS.

A **forestry interest** in an FMIS is a right to the benefits produced by the FMIS (whether the right is actual, prospective or contingent and whether it is enforceable or not).

Forestry managed investment scheme subsequent participant

The SMSF is a **subsequent participant** in an FMIS if it acquired its interest through secondary market trading. This means it acquired its interest other than as an initial participant, usually by purchasing that interest from an initial participant in the scheme.

Low income super amounts (LISA)

Low income super amounts (LISA) can be either a low income super contribution (LISC) or a low income super tax offset (LISTO).

LISC applied for the 2012–13 to 2016–17 income years and was replaced with LISTO from 1 July 2017. Eligibility criteria for LISTO remained essentially the same as for LISC.

Net exempt income

A resident SMSF's 'net exempt income' is the SMSF's gross exempt income *less* expenses (other than capital expenses) incurred in

deriving the exempt income and any taxes payable outside Australia on that exempt income.

Net exempt income includes:

- exempt current pension income
- amounts that are not included in assessable income because family trust distribution tax has been paid
- tax-exempt distributions from pooled development funds.

Non-residential real property

Non-residential real property includes land and buildings that are used for commercial or business purposes. This includes premises that are used for both business and residential purposes.

Permanent incapacity benefit

A **permanent incapacity benefit** is a lump sum benefit payment or income stream benefit payments paid by the SMSF to a member who is unlikely, due to ill health (physical or mental) to ever engage in gainful employment of the type for which they are reasonably qualified by education, training or experience and their condition has been certified by at least 2 medical practitioners.

For more information, see **Conditions of release**.

Pooled superannuation trusts

A **pooled superannuation trust** (PST) is a resident unit trust regulated by the Australian Prudential Regulation Authority (APRA). A PST is used for investing assets of a number of super funds or approved deposit funds, other PSTs and certain other specified entities.

Related party

Related parties of an SMSF are:

- all members of the SMSF and their **associates**
- all **standard employer-sponsors** of the SMSF and their associates.

Associates of a member of the SMSF include:

- every other member of the SMSF
- relatives of any member of the SMSF
- business partners of any member of the SMSF
- companies and trustees of trusts that any member of the SMSF controls (either alone or with their other associates).

A **standard employer-sponsor** is an employer who contributes to the SMSF for the benefit of a member, under an arrangement between the employer and the trustee of the SMSF.

Associates of a standard employer-sponsor include:

- business partners
- companies or trustees of trusts that the employer controls (either alone or with their other associates)
- companies and trustees of trusts that control the employer.

Release authority payment

A **release authority payment** is an amount released and paid to the ATO in response to a release authority issued to the fund for:

- first home super saver scheme
- excess concessional contributions
- excess non-concessional contributions
- Division 293 tax (due and payable and deferred debt liabilities).

For more information, see **Release authorities**.

Residential real property

Residential real property means premises which are lawfully:

- occupied as a place of residence, or
- suitable for occupation as a place of residence.

If the premises are suitable as a place of residence but are used for commercial or business purposes, it is non-residential real property.

Retirement phase superannuation income stream benefit

A retirement phase superannuation income stream benefit is a superannuation income stream benefit paid from a superannuation income stream that is in retirement phase. A superannuation income stream is in retirement phase if a superannuation income stream benefit is payable from it but it does not include:

- a transition to retirement income stream (TRIS) unless the recipient is 65 or older, or has notified the SMSF they have met a condition of release with a nil cashing restriction (retirement, terminal medical condition or permanent incapacity), or
- the superannuation income stream is specified in a commutation authority issued by the Commissioner and the SMSF has not complied with the authority.

A superannuation income stream is also in retirement phase if it is a deferred superannuation income stream where the intended recipient has met a condition of release with a nil cashing restriction (retirement, terminal medical condition, permanent incapacity or attained age 65).

Self-managed superannuation fund (SMSF)

SMSFs are entities used for providing for individuals' retirement. Members of an SMSF are its trustees or, if the SMSF has a company trustee, are the directors of the company. This means the members of the SMSF run it for their benefit.

Generally your super fund with more than one member is an SMSF if:

- it has 2 to 6 members
- no member of the fund is an employee of another member of the fund unless they are related
- each member of the fund is a trustee and each trustee is a member of the fund, and
- no trustee of the fund receives any remuneration for their services as a trustee of the fund.

Alternatively, your super fund is an SMSF if it has a company as a trustee (known as a corporate trustee) and:

- the fund has 2 to 6 members
- each member of the fund is a director of the company and each director of the company is a member of the fund
- no member of the fund is an employee of another member of the fund unless they are related, and
- no remuneration is received by either the trustee company or a director of the company for services to the SMSF.

Your super fund is an SMSF if it has only one member and:

- the trustee of the fund is either
 - the member of the fund and a second person who is either a relative of the member or is not the member's employer, or
 - a company where
 - the member is the sole director of the company, or
 - the member is one of 2 directors of the company and the second director is a relative of the member or is not the member's employer
- no remuneration is received by either the trustee (individual or company) or a director of the company for services to the fund.

Severe financial hardship benefit

A member may be able to access some of their super where they are experiencing **severe financial hardship**. Prior to making a payment due to severe financial hardship, the trustee must be satisfied that the member has met the eligibility criteria, based on the members age.

Criteria 1 – Where the members age is below their preservation age plus 39 weeks, they must meet both of the conditions below:

- they have received an eligible Commonwealth income support benefits continuously for 26 weeks
- they are not unable to meet reasonable and immediate family living expenses.

The payment must be a single amount up \$10,000 (including tax), but no less than \$1,000.

Criteria 2 – Where the members has reached their preservation age plus 39 weeks, they need to meet both of the conditions below before a payment can be made:

- they have received an eligible Commonwealth income support benefits **cumulative** period of 39 weeks after reaching their preservation age
- they are not gainfully employed when applying for the release.

There are no restrictions on how much can be withdrawn if the member meets criteria 2.

For more information, see **Conditions of release**.

SMSF supervisory levy

SMSFs pay an annual supervisory levy to us. The supervisory levy to be paid with the SMSF annual return 2024 is for 2024–25.

For more information, see **SMSF supervisory levy**.

Spouse

A spouse of a member (at the relevant time) includes another person (of any sex):

- with whom the member is in a relationship that is registered under a prescribed state or territory law, or
- who lives with the member on a genuine domestic basis in a relationship as a couple although not legally married to the member.

Temporary incapacity benefits

Temporary incapacity benefits are amounts paid as an income stream to a member because they temporarily ceased gainful employment due to physical or mental ill health, but were not permanently incapacitated.

For more information, see **Conditions of release**.

Terminal medical condition benefits

Terminal medical condition benefits are super benefits paid to a member with a terminal medical condition where 2 registered medical practitioners have certified that the member suffers from an illness, or has incurred an injury, that is likely to result in the member's death within 24 months of the date of certification.

For more information, see [Conditions of release](#).

Transition to retirement income stream

A **transition to retirement income stream** is a super income stream paid to a member who has reached their preservation age but is still working and has converted part or all of their accumulated benefits to an income stream.

For more information, see [SMSF – transition to retirement income streams](#).

Return to:

- [Appendixes for the SMSF annual return](#)
- [Instructions to complete your SMSF annual return 2024](#)

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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 follow our information and it turns out to be incorrect, or it is misleading and you make a mistake as a result, we will take that into account when determining what action, if any, we should take.

Some of the information on this website applies to a specific financial year. This is clearly marked. Make sure you have the information for the right year before making decisions based on that information.

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Trust income schedule 2024

Who should complete this schedule?

Use in conjunction with the individual, company, trust, partnership, fund income tax return or the self-managed superannuation fund annual return.

When completing this form

You can complete this form electronically or with a pen.
If you choose to use a pen:

- Print clearly in BLOCK LETTERS using a black pen.
- Place **X** in ALL applicable boxes.

Refer to *Trust income schedule instructions 2024*, available on our website ato.gov.au for instructions on how to complete this schedule.

Tax file number (TFN)

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Individual name

Title: Mr ☐ Mrs ☐ Miss ☐ Ms ☐ Other

Surname or family name

First given name

Other given names

OR

Non-individual name (company, trust, partnership, fund, SMSF)

Residential address for individuals or business address for non individuals

Suburb/town/locality

State/territory

--	--	--

(Australia only)

Postcode

--	--	--	--	--

(Australia only)

Country if outside Australia

Distribution details

Name of distributing trust

Australian business number (ABN)

Australian company number (ACN)

Investor number

Share of income of trust estate	W	<div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div></div>	<div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div></div>	Share of credit for TFN amounts withheld from payments from closely held trusts	O	<div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div></div>	
Share of credit for tax withheld – foreign resident withholding (excluding capital gains)	L	<div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div></div>	<div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div></div>	Capital gains	F	<div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div></div>	
Australian franking credits from a New Zealand franking company	N	<div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div></div>	<div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div></div>	Gross capital gain	F1	<div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div></div>	
Share of income	Primary production	A	<div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div></div>	<div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div></div>	Capital losses applied	F2	<div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div></div>
	PP – NCMI	A1	<div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div></div>	<div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div></div>	CGT discount applied	F3	<div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div></div>
	PP – Excluded from NCMI	A2	<div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div></div>	<div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div></div>	CGT small business concessions applied	F4	<div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div></div>
	Non-primary production	B	<div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div></div>	<div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div></div>	NCMI capital gains	F5	<div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div></div>
	Non PP – NCMI	B1	<div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div></div>	<div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div></div>	Excluded from NCMI capital gains	F6	<div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div></div>
	Non PP – Excluded from NCMI	B2	<div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div></div>	<div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div></div>	Share of credit for foreign resident capital gains withholding amounts	Z	<div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div></div>
Credit for tax withheld where ABN not quoted	C	<div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div></div>	<div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div></div>	Attributed foreign income	G	<div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div></div>	
Franked distributions	U	<div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div></div>	<div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div></div>	Other assessable foreign source income	H	<div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div></div>	
Franking credit	D	<div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div></div>	<div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div></div>	Foreign income tax offset	I	<div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div></div>	
TFN amounts withheld	E	<div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div></div>	<div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div></div>	Share of National rental affordability scheme tax offset	R	<div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div></div>	
				Exploration credits distributed	M	<div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div></div>	
				Early stage venture capital limited partnership tax offset	T	<div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div></div>	
				Early stage investor tax offset	J	<div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div></div>	
				Div 6AA Eligible income	C1	<div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div></div>	

Small business income tax offset information

Share of net small business income

Y

Non-resident beneficiary additional information

s98(3) assessable amount

J

s98(4) assessable amount

K

Annual Trustee Payment report information

Total TFN amounts withheld from payments

T

Distribution details

Name of distributing trust

Australian business number (ABN)

Australian company number (ACN)

Investor number

Share of income of trust estate	W	<input type="text"/>	<input checked="" type="checkbox"/>	Share of credit for TFN amounts withheld from payments from closely held trusts	O	<input type="text"/>	
Share of credit for tax withheld – foreign resident withholding (excluding capital gains)	L	<input type="text"/>	<input checked="" type="checkbox"/>	Capital gains	F	<input type="text"/>	
Australian franking credits from a New Zealand franking company	N	<input type="text"/>	<input checked="" type="checkbox"/>	Gross capital gain	F1	<input type="text"/>	
Share of income	Primary production	A	<input type="text"/>	<input checked="" type="checkbox"/>	Capital losses applied	F2	<input type="text"/>
	PP – NCMI	A1	<input type="text"/>	<input checked="" type="checkbox"/>	CGT discount applied	F3	<input type="text"/>
	PP – Excluded from NCMI	A2	<input type="text"/>	<input checked="" type="checkbox"/>	CGT small business concessions applied	F4	<input type="text"/>
	Non-primary production	B	<input type="text"/>	<input checked="" type="checkbox"/>	NCMI capital gains	F5	<input type="text"/>
	Non PP – NCMI	B1	<input type="text"/>	<input checked="" type="checkbox"/>	Excluded from NCMI capital gains	F6	<input type="text"/>
Non PP – Excluded from NCMI	B2	<input type="text"/>	<input checked="" type="checkbox"/>	Share of credit for foreign resident capital gains withholding amounts	Z	<input type="text"/>	
Credit for tax withheld where ABN not quoted	C	<input type="text"/>	<input checked="" type="checkbox"/>	Attributed foreign income	G	<input type="text"/>	
Franked distributions	U	<input type="text"/>	<input checked="" type="checkbox"/>	Other assessable foreign source income	H	<input type="text"/>	
Franking credit	D	<input type="text"/>		Foreign income tax offset	I	<input type="text"/>	
TFN amounts withheld	E	<input type="text"/>		Share of National rental affordability scheme tax offset	R	<input type="text"/>	
				Exploration credits distributed	M	<input type="text"/>	
				Early stage venture capital limited partnership tax offset	T	<input type="text"/>	
				Early stage investor tax offset	J	<input type="text"/>	
				Div 6AA Eligible income	C1	<input type="text"/>	

Small business income tax offset information

Share of net small business income **Y**

Non-resident beneficiary additional information

s98(3) assessable amount **J**

s98(4) assessable amount **K**

Annual Trustee Payment report information

Total TFN amounts withheld from payments **T**

Distribution details

Name of distributing trust

Australian business number (ABN)

Australian company number (ACN)

Investor number

Share of income of trust estate	W	<div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div></div>	<div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div></div>	Share of credit for TFN amounts withheld from payments from closely held trusts	O	<div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div></div>	
Share of credit for tax withheld – foreign resident withholding (excluding capital gains)	L	<div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div></div>	<div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div></div>	Capital gains	F	<div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div></div>	
Australian franking credits from a New Zealand franking company	N	<div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div></div>	<div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div></div>	Gross capital gain	F1	<div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div></div>	
Share of income	Primary production	A	<div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div></div>	<div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div></div>	Capital losses applied	F2	<div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div></div>
	PP – NCMI	A1	<div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div></div>	<div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div></div>	CGT discount applied	F3	<div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div></div>
	PP – Excluded from NCMI	A2	<div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div></div>	<div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div></div>	CGT small business concessions applied	F4	<div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div></div>
	Non-primary production	B	<div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div></div>	<div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div></div>	NCMI capital gains	F5	<div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div></div>
	Non PP – NCMI	B1	<div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div></div>	<div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div></div>	Excluded from NCMI capital gains	F6	<div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div></div>
Share of income	Non PP – Excluded from NCMI	B2	<div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div></div>	<div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div></div>	Share of credit for foreign resident capital gains withholding amounts	Z	<div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div></div>
	Credit for tax withheld where ABN not quoted	C	<div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div></div>	<div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div></div>	Attributed foreign income	G	<div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div></div>
	Franked distributions	U	<div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div></div>	<div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div></div>	Other assessable foreign source income	H	<div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div></div>
	Franking credit	D	<div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div></div>	<div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div></div>	Foreign income tax offset	I	<div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div></div>
	TFN amounts withheld	E	<div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div></div>	<div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div></div>	Share of National rental affordability scheme tax offset	R	<div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div></div>
					Exploration credits distributed	M	<div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div></div>
					Early stage venture capital limited partnership tax offset	T	<div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div></div>
					Early stage investor tax offset	J	<div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div></div>
					Div 6AA Eligible income	C1	<div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div></div>

Small business income tax offset information

Share of net small business income

Y

Non-resident beneficiary additional information

s98(3) assessable amount

J

s98(4) assessable amount

K

Annual Trustee Payment report information

Total TFN amounts withheld from payments

T

Declarations

 If the schedule is not lodged with the income tax return, you are required to sign and date the schedule.

Contact name

Daytime contact number (include area code)

Important

Before making this declaration check to ensure that all the information required has been provided on this form and any attachments to this form, and that the information provided is true and correct in every detail. If you are in doubt about any aspect of the tax return, place all the facts before the ATO. The income tax law imposes heavy penalties for false or misleading statements.

Privacy

We are authorised to request TFNs by the *Taxation Administration Act 1953*. We use them to identify you in our records. It is not an offence not to provide TFNs. However, this may cause delays in processing your form.

Taxation law authorises us to collect information and disclose it to other government agencies. This includes personal information of the person authorised to complete the form and sign the declaration. See more about your privacy at ato.gov.au/privacy.

Taxpayer's/public officer's/director's/partner's/trustee's declaration

I declare that the information on this form is true and correct

Signature

Date

Tax agent's declaration

I,

declare that this tax return has been prepared in accordance with information supplied by the taxpayer, that the taxpayer has given me a declaration stating that the information provided to me is true and correct and that the taxpayer has authorised me to lodge the tax return.

Agent's signature

Client's reference

Date

Contact name

Agent's phone number (include area code)

Agent's reference number

Office use only

Indics X