

## Are you up to speed on the latest process to rollover a member of an SMSF?

Rollovers from one SMSF to another must comply with the technical requirements. Elizabeth Wang from Townsends Law has summarised those requirements to save you time.

John and Mary have an SMSF. John has decided to establish his own SMSF where he will be the sole member of the Fund and will act as the sole director and sole company secretary of the corporate trustee.

John wants to know what the necessary steps are to transfer his entire member balance to his new SMSF as the exiting member.

As the exiting member, John must request his benefits be transferred to his newly establishment SMSF. To do this John must complete a Transfer Request (ATO Form 75359). ATO Form 75359 enables an existing member to request a rollover of their whole super balance to either an SMSF or other eligible super entity.

The current trustee of John and Mary's SMSF must be satisfied that the nominated receiving fund is a regulated superannuation fund, approved deposit fund or retirement savings account. It must also accept the transfer request and authorise payment of the exiting member's benefit to the trustee of the receiving superannuation entity.

The ATO has recently announced that APRA-regulated and SMSFs that receive a request to rollover their member's super balance to an SMSF must use the SMSF verification service (SVS) to verify the SMSFs details before making the rollover in accordance with Regulation 6.33E of the *Superannuation Industry (Supervision) Regulations 1994* ('SISR').

The purpose of the SMSF verification service (SVS) is to:

- determine the SMSF status (i.e. is the SMSF a 'Complying' or 'Regulated' fund);
- that the Tax File Number ('TFN') of the member requesting the rollover is associated with the SMSF;
- no verified date of death exists for the member requesting the rollover;
- that the SMSF bank details are held by the Australian Taxation Office ('ATO'); and
- that Electronic Service Address (ESA) is held by the ATO.

The SMSF verification service (SVS) will either provide a verified or non-verified response. The SMSF can only proceed with a rollover once it has received a verified response. For non-verified responses, the SMSF/member should contact the ATO to confirm their details, so they can re-initiate the rollover.

In cases where an SMSF is prevented from using the SVS (i.e. the SMSF does not hold the member's TFN or the SVS is no operational or available for an extended period of time) the SMSF/member may be required to request and submit a manual verification process. Requests for manual verification can be submitted to [SuperCRT@ato.gov.au](mailto:SuperCRT@ato.gov.au).

The trustee must issue a "Rollover Benefits Statement" to John's new SMSF as the receiving fund within three days of payment of the benefit using the SuperStream data and payments standards. If the rollover SuperStream standard does not apply to the transaction the trustee must complete a Rollover benefits statement (RBS) or a Death benefit rollover statement (DBRS) (if applicable) to the receiving fund within seven days of paying the rollover and provide a copy to the existing member within 30 days of payment of the benefit.

It is important to note that from 1 October 2021, it will be mandatory to use SuperStream to digitally rollover any member benefits from and to an SMSF. Trustees can provide the Rollover Benefit Statement to the receiving fund by sending the information electronically via SuperStream. If the trustee is unable to send the information electronically via SuperStream, the trustee must provide a paper statement to the receiving fund using the ATO Form NAT 70944.

A copy of the Rollover Benefits Statement (ATO Form NAT 70944 or a similar form containing the equivalent information) must also be provided to the relevant member within 30 days of the rollover payment.

John's benefits must be paid as soon as possible after the acceptance of the transfer request but, in any event, must be paid within 30 days. The payment of the exiting member's benefit will cause the exiting member's membership to terminate.

As there is a change of member in John and Mary's SMSF, Mary being the sole member of the Fund will need to notify the ATO of John's exit from the fund within 28 days of John ceasing to be a member of the Fund. Mary can notify the ATO by completing Form 3036. The ATO will also need to be notified of any change in trustee/director. Form 3036 can also be used.

The trustee of John and Mary's SMSF is a corporate trustee. John must resign in writing as a director or that company at the time of the rollover. Mary must notify ASIC that John as the exiting member is ceasing to be a director of the corporate trustee. Mary can complete the online ASIC Form 484 within 28 days.

For more information on any aspect covered in this article, please call SUPERCentral on 02 8296 6266 or email [info@supercentral.com.au](mailto:info@supercentral.com.au).