



Defined Benefit pension: **Tax Guide 2019–20**

This guide will help you complete your 2019–20 tax return using your 2019–20 PAYG payment summary from Commonwealth Bank Group Super for your Defined Benefit pension. You may wish to give this guide to your accountant or tax agent. This guide is to be used for Australian resident individuals only. This guide contains general information and is not tax advice. Please contact your tax agent or accountant about personal tax matters.

Please refer to the Australian Taxation Office (ATO) *Tax return for individuals 2020* and follow the instructions below. For your Defined Benefit pension you generally only need to complete questions 7, 8, T1 and T2. If you have more than one superannuation pension, ensure you total the relevant amounts for each question. A sample *PAYG payment summary – superannuation income stream* and *Tax return for individuals 2020* are provided on the last page of this guide.

General advice warning about using or relying on this information

The information in this document is prepared based on our current understanding of regulatory requirements and laws. This information is not advice or tax advice, and provides general information only and does not take into account your individual objectives, financial situation or needs. You should consider the information and how appropriate it is to your own objectives, financial situation and needs, before making any decisions. You should seek professional financial advice tailored to your personal circumstances from an authorised financial adviser.

Taxation considerations are general and based on present taxation laws and may be subject to change. You should seek independent, professional tax advice before making any decision based on this information. The trustee is also not a registered tax (financial) adviser under the Tax Agent Services Act 2009. You should seek tax advice from a registered tax agent or a registered tax (financial) adviser if you intend to rely on this information to satisfy the liabilities or obligations or claim entitlements that arise, or could arise, under a taxation law.

Copyright in the Individual tax return instructions and individual tax return forms for 2020 subsists in the Australian Taxation Office.

Question 7

Did you receive income from any Australian annuity and/or superannuation income stream that you haven't shown at Question 6 of the *Tax return for individuals 2020*?

If **yes** go to **Action** below. If you didn't receive any such income, go to the next question in the tax return.

Action

If you have more than one superannuation income stream, you'll need to combine the amounts.

From your *PAYG payment summary*, enter the **Total tax withheld** amount in the box at Question 7. If the amount is zero, write '0' in the box.

Enter the amount of the **Taxable component – Untaxed element** from your *PAYG payment summary* in box N at Question 7.

If you were under age 60 during 2019–20 and not in receipt of a capped defined benefit income stream¹, enter the amount of the **Taxable component – Taxed element** from your *PAYG payment summary* in box J at Question 7.

1 Capped defined benefit income streams includes lifetime pensions, lifetime annuities that existed prior to July 2017, life expectancy pensions and annuities that existed prior to 1 July 2017 and market-linked pensions and annuities that existed prior to 1 July 2017.

For Defined Benefit members and pensioners:



Find out more or log in at
oursuperfund.com.au



Call **1800 135 970** 8am–7pm, Mon–Fri
or email via oursuperfund.com.au/login



Post to **GPO Box 4303,**
Melbourne VIC 3001

If you were aged 60 or over for all of 2019–20 and receiving a capped defined benefit income stream, you'll need to add up all of your taxed elements, tax free components and lump sums in arrears, and subtract \$100,000², which is the defined benefit income cap. If the answer is less than or equal to \$1, write '0' in box **M** at Question **7**; otherwise divide the answer by 2 and write this answer in box **M** at Question **7**.

Refer to the ATO's *Individual tax return instructions 2020* for more on how to calculate this reduction or seek advice from your tax adviser.

Question 8

Did you receive any Australian superannuation lump sum payments or superannuation death benefit payments while under age 60?

If **yes** go to **Action** below. If you didn't receive any lump sum payments, go to the next question in the tax return.

Action

You'll need the *PAYG payment summary – superannuation lump sum* sent to you at the time of your withdrawal. If you no longer have this, contact the payer.

Using your *PAYG Payment Summary – superannuation lump sum*, record the date of payment, payer's ABN, total tax withheld and taxable component – taxed element or untaxed element in the relevant sections of Question **8**.

Question T1

If applicable to you, record the appropriate Seniors and Pensioners tax offset code in box **N** at Question **T1** or the appropriate veteran code in box **Y** at Question **T1**.

You may also need to complete the spouse details of your tax return.

Action

Follow the instructions in the ATO's *Individual tax return instructions 2020* in order to claim any available seniors and pensioners tax offset (SAPTO).

Question T2

Did you receive income from an Australian superannuation income stream?

If **yes**, you may be entitled to a tax offset. The tax offset will only be available if pension payments were received before you reached age 60.

The amount of tax offset to which you're entitled depends on the following:

- your age
- whether you have a taxed element or an untaxed element of any taxable component (refer to your *PAYG payment summary – superannuation income stream*)
- whether you're totally and permanently disabled, or whether the pension was commenced due to the death of another person.

Action

If you have more than one superannuation pension, you'll need to combine these amounts.

If a tax offset applies, we've calculated this figure for you and it will be shown on your *PAYG payment summary – superannuation income stream* as the **Tax offset amount**. Enter this tax offset amount in box **S** at Question **T2**.

For more information, the tax offset calculation procedure is explained in Question **T2** in the *Individual tax return instructions 2020*.

You've now completed all questions relevant to your Defined Benefit pension from Commonwealth Bank Group Super.

Please ensure you have included the relevant details of any other Australian annuities or pensions you hold.

² This cap may reduce if you were (i) 60 years old or older for all of 2019–20 and you started a capped defined benefit income stream part way during the year; (ii) receiving a capped defined benefit income stream and you turned 60 during 2019–20; or (iii) under 60 years old and have a capped defined benefit income stream which is a death benefit income stream where the deceased died aged 60 or over.

Will you need to lodge an Australian tax return in the future? Yes Don't know No FINAL TAX RETURN

Your date of birth: If you were under 18 years old on 30 June 2020 you must complete item A1 on page 7.

Electronic funds transfer (EFT): We need your financial institution details to pay any refund owing to you, even if you have provided them to us before.

Income: 1 Salary or wages, 2 Allowances, earnings, tips, director's fees etc, 3 Employer lump sum payments, 4 Employment termination payments (ETP), 5 Australian Government allowances and payments like Newstart, Youth Allowance, JobSeeker and Austudy payments, 6 Australian Government pensions and allowances, 7 Australian annuities and superannuation income streams.

TAX RETURN FOR INDIVIDUALS 2020

NOTICE TO PAYEE: If this payment summary shows an amount in the total tax withheld box, you must lodge a return.

PAYG Payment Summary - Superannuation Income Stream

Year ended 30 June: 2020

PAYEE DETAILS: Payee's surname or family name: SAMPLE, Payee's given name(s): JOE, Payee's residential address: 1 SMITH STREET, Suburb/town/locality: SYDNEY, State: NSW, Postcode: 2000.

Death benefit (Reversionary income stream): Is the payee under 60 years of age and a death benefits dependant, where the deceased died at 60 years or over? Yes No

Period during which payments were made: 1 JULY 2019 to 30 JUNE 2020

Payee's tax file number: 123 456 789

Taxable component: \$ <Total tax withheld amt>

Taxed element: \$ <Taxed element amt>

Untaxed element: \$ <Untaxed element amt>

Free component: \$ <Tax-free component amt>

Offset amount: \$ <Tax offset amt>

Lump sum in arrears - taxable component: \$

Lump sum in arrears - Tax Free component: \$

DECLARATION: I declare that the information given on this form is complete and correct.

Tax offsets: T1 Seniors and pensioners (includes self-funded retirees), T2 Australian superannuation income stream.

TOTAL TAX OFFSETS: \$

TAX RETURN FOR INDIVIDUALS 2020

Depending on your circumstances, you'll complete either box **J** OR box **M** for Question 7 - refer to the instructions and actions on the previous pages for more detail.

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