

# Simplified Superannuation

## *Fact Sheet – Tax File Numbers*

### *Concessional Contributions*

Where an existing member has not quoted a Tax File Number (TFN) to a fund, tax will be withheld at the top marginal rate plus Medicare levy if the member's concessional contributions exceed \$1,000. For accounts that begin after 1 July 2007, the \$1000 threshold does not apply — tax will be withheld on all contributions at the top marginal rate plus Medicare levy if the account holder has not quoted their TFN.

People should ensure they have provided their TFN to their fund and should also check their Member Benefit Statement to ensure that their TFN is correctly recorded.

Currently, employees are able to provide their TFNs to their fund indirectly through their employer. For an employer to be able pass on the TFN to the fund, specific approval must be given by the employee. This is currently obtained via a separate question on the TFN declaration form which an employee completes when commencing employment. From 1 July 2007 where an employee quotes a TFN for employment purposes, it will automatically taken to be quoted for superannuation purposes and the TFN is required to be passed on to the ATO.

The ATO will use systems to match TFNs to members where an account does not have a TFN. The ATO will then contact the member to organise for the TFN to be provided to the fund. There will also be an education campaign to encourage members to provide their TFN to their fund.

Funds are required to remit the higher tax to the ATO at the end of the income year for accounts without a TFN. This will give most people until 30 June 2008 to give their TFN to their fund, if they have not already done so, before the higher rate of tax need apply. The additional tax will be refunded where a valid TFN is provided to the fund within a four year period. Interest on the additional tax may also be payable by the ATO in some circumstances.

### *Non-concessional contributions*

Superannuation funds will only be able to accept non-concessional contributions, for or on behalf of a member, if the member's TFN has been quoted to the fund.