

KnowHow

How to monitor the transfer balance account

July 2022

When commencing or maintaining a retirement phase income stream, it's important to ensure your transfer balance account doesn't exceed your transfer balance cap.

What is the transfer balance cap and transfer balance account?

The transfer balance cap limits the amount that can be transferred into what is known as the retirement phase of superannuation (see below), where earnings are tax-free. The general transfer balance cap is \$1.7m in 2022/23.

Note: If you already had a retirement phase income stream at any time before 1 July 2021, your transfer balance cap will be \$1.6m, plus a proportion of the cap indexation. Only individuals who start a retirement phase income stream for the first time from 1 July 2021 will be eligible for the cap of \$1.7m.

When a superannuation income stream is commenced or transferred to retirement phase, you will start to have a transfer balance account. These accounts are managed by the Australian Taxation Office, based on information reported to them by your super fund.

What is a retirement phase income stream?

Income streams that are in retirement phase are measured against the transfer balance cap and include:

- account based pensions where certain 'conditions of release' have been met, such as retirement, terminal illness and permanent incapacity
- defined benefit pensions and certain other lifetime income streams
- death benefit pensions, and
- deferred income streams or transition to retirement income streams paid to a person who has met an eligible condition of release.

Transition to retirement pensions will count towards your transfer balance account automatically once you reach age 65 or when you notify your super fund that you meet another eligible condition of release, such as retirement.

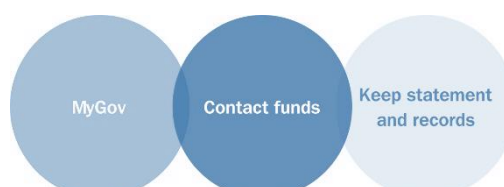
What impacts your transfer balance account?

Your transfer balance account is different from your actual pension account balances. It is a notional account, where certain types of transactions you make are recorded as debits and credits. The most common examples include amounts transferred to commence a pension (credit) and lump sums withdrawn from a pension (debit).

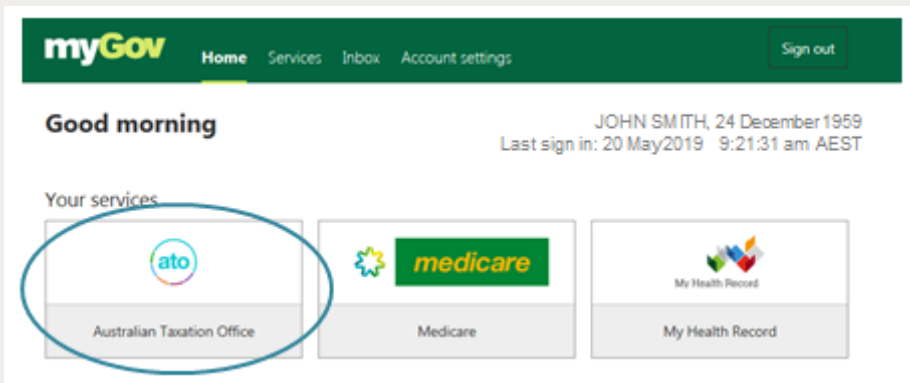
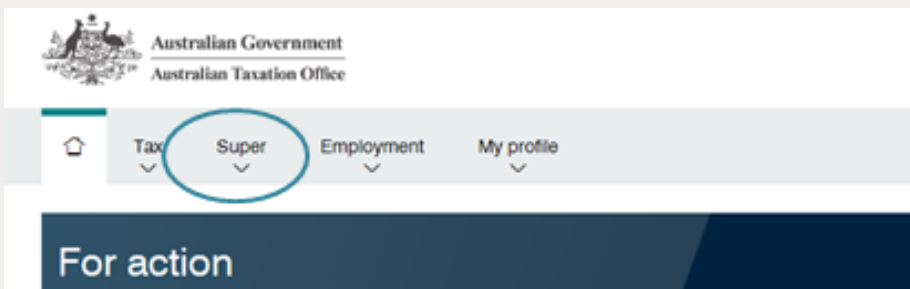
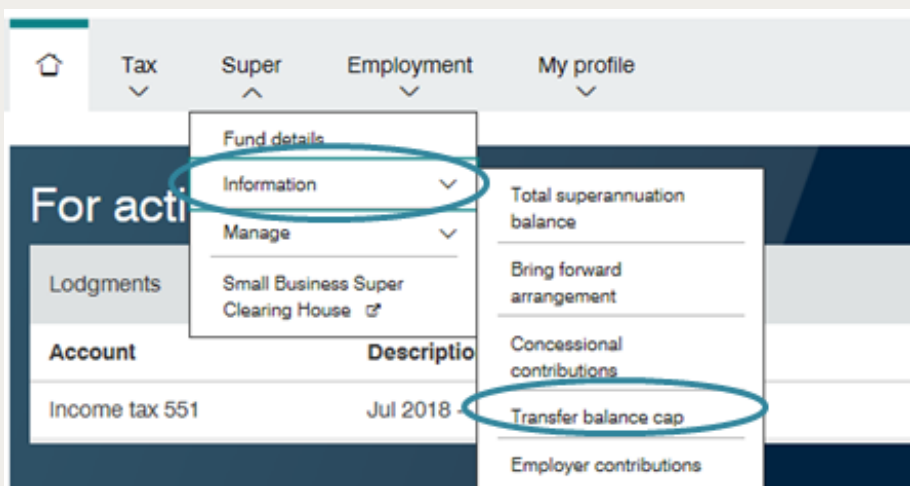
Not all transactions to your pension accounts will result in a debit or credit. For example, pension payments and market movements might change your actual pension balance, but they aren't taken into account when calculating your transfer balance account.

How to check your transfer balance account

There are a few ways you can monitor your transfer balance account. On the following pages, the steps to using MyGov to access your transfer balance account information are explained.



How to monitor the transfer balance account

Steps	Details				
Login to your MyGov account by visiting my.gov.au	<p>Don't have a MyGov account or haven't linked the ATO?</p> <p>Use the link below and follow the steps.</p> <p>https://www.ato.gov.au/General/Online-services/Create-your-myGov-account-and-link-it-to-the-ATO/</p>				
Select the ATO service	 <p>The screenshot shows the MyGov homepage with a green header. Below the header, there's a 'Good morning' greeting and user information for JOHN SMITH. Under 'Your services', three icons are shown: 'ato' (Australian Taxation Office), 'medicare', and 'My Health Record'. The 'ato' icon is circled in blue.</p>				
Select the 'Super' tab	 <p>The screenshot shows the Australian Government Australian Taxation Office MyGov page. A navigation bar contains 'Tax', 'Super', 'Employment', and 'My profile'. The 'Super' tab is circled in blue.</p>				
Click the 'Information' option and then 'Transfer balance cap'	 <p>The screenshot shows the 'For action' section of the MyGov Super page. A dropdown menu is open under the 'Super' tab, with 'Information' circled in blue. Below it, a table lists various superannuation options, with 'Transfer balance cap' circled in blue.</p> <table border="1"> <thead> <tr> <th>Account</th> <th>Description</th> </tr> </thead> <tbody> <tr> <td>Income tax 551</td> <td>Jul 2018</td> </tr> </tbody> </table>	Account	Description	Income tax 551	Jul 2018
Account	Description				
Income tax 551	Jul 2018				

How to monitor the transfer balance account

The most up to date 'Available cap space' recorded by the ATO will be displayed.

Click the hyperlink 'Transfer balance' to reveal a detailed breakdown of your transaction details



Note: The transfer balance account information shown reflects the information that the ATO has received from your super funds to that point.

If there is a delay in any of your funds reporting to the ATO, or there has been an error in reporting, the information displayed will not be accurate. See below for more information.

Transactions in your transfer balance account will be displayed. Click the 'Download' button to access a print-friendly version of your account details, which you can email or print

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Transfer balance cap

A transfer balance account is used to monitor the super savings transferred into a retirement phase super income stream account. Use this information to help plan for retirement by monitoring the [transfer balance cap](#) and available cap space.

Available cap space

\$500,000

Description	Amount
Transfer balance cap	\$1,600,000
Highest ever transfer balance	\$1,100,000
Indexation entitlement	Yes
Transfer balance	\$1,100,000
Capped defined benefit balance	\$0.00

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Help

Transfer balance

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Most transactions are reported to us by your super providers. There are some events you need to report to us, including any loss of super from fraud or dishonesty, bankruptcy payments and family law payment splits. You also need to report personal injury super contributions made prior to 1 July 2007. To report these to us, use the [Transfer balance account event form](#).

Transactions

Download

Effective date	Received date	Description	Amount	Balance
10/10/2019	10/11/2019	Superannuation income stream	\$100,000 CR	\$1,100,000
09/02/2019	10/03/2019	Superannuation income stream	\$150,000 CR	\$1,000,000
01/02/2018	06/03/2018	Superannuation income stream	\$100,000 CR	\$850,000
08/10/2017	06/11/2017	Superannuation income stream	\$50,000 DR	\$750,000
01/07/2018	10/08/2017	Superannuation income stream	\$800,000 CR	\$800,000

How to monitor the transfer balance account

Q: How will you know if you have an excess transfer balance amount?

If the ATO has received reporting from your super funds and is aware of an excess transfer amount, this will be displayed on MyGov. From here, you can click 'Make an election' to voluntarily reduce your transfer balance excess.

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Transfer balance cap

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There is excess transfer balance and money needs to be commuted out of the account based super income stream accounts. The sooner you act the less tax will be applied. Refer to the [determination notice](#) we sent for details of what needs to be done.

Available cap space

\$0.00

Description	Amount
Transfer balance cap	\$1,600,000 ✓
Transfer balance	\$1,800,000 ✓

Excess transfer balance amount

\$200,000

Make an election

Q: What will MyGov display if your excess transfer balance tax liability has been calculated?

Excess transfer balance tax calculated by the ATO will be displayed in MyGov. Click the 'Pay' button to pay your tax liability.

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Available cap space

\$0

Description	Amount
Transfer balance cap	\$1,600,000 ✓
Your Transfer Balance	\$1,710,000 ✓

You have an excess transfer balance tax liability

\$1,610.45

We recently sent you an excess transfer balance [tax notice of assessment](#).

Pay

For more information

The transfer balance account rules are complex. This guide is not designed to provide comprehensive information about how the transfer balance cap rules work or apply to you. When providing you with financial advice, your financial adviser may ask you details about your transfer balance account as it appears on MyGov. This guide is designed to help you find this information easily.

It is important that you speak with your financial adviser, or visit the ATO website for more information.

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