

## How to view your Transfer Balance Cap on the ATO's online services

From 1 July 2017 a cap was introduced to limit how much can be transferred to a retirement phase pension for a member (and be entitled to tax free earnings), this is the General Transfer Balance Cap (GTBC). It started at \$1.6 million and was indexed to \$1.7 million from 1 July 2021.

If you commenced a retirement phase pension prior to 1 July 2021 you had a Personal Transfer Balance Cap (PTBC) of \$1.6 million, however proportional indexation can now apply in some circumstances which complicates matters. If you commenced a retirement phase pension after 1 July 2021 then you have a PTBC of \$1.7 million. This may also change again when the next uplift of indexation occurs in future.

Due to the complexity, its important to understand which transactions impact on your PTBC and whether indexation applies to you.

### Why do you need to know your Personal Transfer Balance Cap?

When making certain changes that increase a retirement phase pension, you will need to know your PTBC to ensure that you don't exceed the cap. Exceeding the PTBC will result in you having an excess transfer balance and in order to rectify that you will need to commute the excess and pay excess transfer balance tax to the ATO. If you have room in your PTBC then you may have the opportunity to transfer more of your superannuation into the retirement phase where the earnings will be tax free to the fund.

### What is the Transfer Balance Account?

The PTBC is determined by what transactions have taken place in your transfer balance account (TBA). Your TBA commences on the day you first commence a retirement phase income stream after 1 July 2017 or on 1 July 2017 if you were already in receipt of a retirement phase income stream as at 30 June 2017.

The TBA records all events that count towards the PTBC. The TBA is run like a ledger with debit and credit events which are transfers into and out of retirement phase. Keeping track of the events enables the balance to be calculated and then it is possible to make decisions that comply with the cap.

The value of your superannuation interests are reported to the ATO and if you have multiple superannuation providers and retirement phase interests (super external to the SMSF administered by Xpress Super) then you will have multiple entries to your TBA. All retirement phase interests are recorded within the TBA until the death of the member. The account incorporates all retirement phase income streams including capped defined benefit income streams.

## What is the Transfer Balance Account Report?

The TBA entries are recorded by the ATO based on the Transfer Balance Account Report (TBAR) lodged by your superannuation providers. Events that are reported include the following:

Debit (decrease balance)	Credit (increase balance)
Stopping a pension - Full or partial commutation	Starting a pension - including TRIS moving into Retirement Phase
Failure to comply with pension standards or a commutation authority	Receiving a reversionary pension to be reported in the quarter or year the death occurs but the credit does not appear in recipient's TBA until 12 months from the date of death
Payment splits upon divorce/marital breakdown	Excess Transfer Balance earnings that accrue
Structured settlement contributions	Some LRBA payments if the LRBA was started after 1 July 2017
Other events such as fraud, dishonesty or bankruptcy	

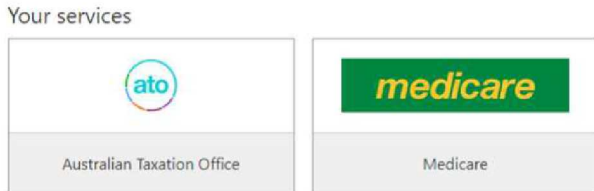
The due date for a TBAR is dependent on the Total Superannuation Balance (TSB) of each member. If any member of the fund has a TSB over \$1 million, then the TBAR is due on a quarterly basis. If all members of a fund have TSB below \$1 million, then the TBAR is due annually. The due dates for quarterly lodgements are 28 days after the end of the quarter in which an event occurred. For funds reporting annually, the TBAR is to be lodged with the annual tax return and due on the same date, usually 15 May. It is important to ensure that any reportable events are included in your TBC when relying on the PTBC reported by the ATO.

**How can you view your Transfer Balance Account and Personal Transfer Balance Cap?**

You can check your PTBC on your ATO online services account through my Gov by following through these step by step instructions.

**Step 1.** Login to your MyGov account at <https://my.gov.au/>

**Step 2.** Select ATO from the list of services linked on your myGov account:



**Step 3.** Select the Super tab, then Information, then Transfer balance cap as follows:

**Australian Government**  
Australian Taxation Office

TFN, ABN, WPN, EIN or name [x] [Q]

View client list Advanced search

My practice Reports and forms Communication

Summary Profile Accounts and payments Lodgments **Super** Business

Fund details Information

**For action**

Account	Description	View >
Income tax 551	Jul 2020 - Jun 2021 Tax return	16

Payments are up to date.

Maintain authorisations	Client details	Client addresses	Email addresses
Authorised contacts	Associates	Financial institution details	Communication preferences
Authorised contacts	Associates	Financial institution details	Communication preferences

Customise quick links [gear icon]



Most importantly the available cap space will be displayed here. This is the most up to date information the ATO have on your PTBC. As noted earlier the lodgment of any report-able events via the TBAR will need to be taken into consideration. If not reflected in the TBA then the PTBC information will change. Any delay in reporting will mean the displayed information is not accurate.

The information displayed will include the following:

- Available cap space.
- Current Transfer Balance Cap.
- Excess transfer balance amount (if relevant) Highest ever transfer balance.
- Indexation entitlement.
- Transfer balance account.
- Capped defined benefit balance.

For example if an individual had a transfer balance account balance of \$541,059.10 and this was their highest ever transfer balance, then this would represent 33.82% of their \$1.6 million personal transfer balance cap prior to indexation on 1 July 2021.

This means there is an unused cap percentage of 67% (must be rounded) and of the indexation increment of \$100,000, they are entitled to indexation of \$67,000. This means their new personal transfer balance cap after indexation on 1 July 2021 is \$1,667,000 (original PTBC of \$1.6 million plus \$67,000). On the ATO's online services the transfer balance cap information would display as follows:

Summary
Profile
Accounts and payments
Lodgments
Super
Business

## Transfer balance cap

A transfer balance account is used to monitor the super savings transferred into a retirement phase account. Use this information to help plan for retirement by monitoring your current personal transfer balance cap and available cap space. The information displayed on this screen is based on information reported to us. Your personal transfer balance cap is based on the highest ever balance of your transfer balance account and may change if the information we have relied on to calculate it changes.

### Available cap space

**\$1,125,940.90**

Description	Amount
Current personal transfer balance cap	\$1,667,000.00 <span style="float: right;">^</span>
<p><b>Current transfer balance cap</b> <span style="float: right;">?</span></p> <p>\$1,667,000.00</p> <p><b>Highest ever transfer balance</b> <span style="float: right;">?</span></p> <p>\$541,059.10</p> <p><b>Indexation entitlement</b> <span style="float: right;">?</span></p> <p>Yes</p>	
<a href="#">Transfer balance account - view transactions</a>	\$541,059.10 <span style="float: right;">^</span>
<p><b>Capped defined benefit balance</b> <span style="float: right;">?</span></p> <p>\$0.00</p>	

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As you can see from this, there is a lot to take into consideration in determining your PTBC and ensuring that the figures available on your ATO services under myGov are accurate and display all up to date information.

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