

Pension Commutation Service

By completing this form, you will provide all the information we need in order to **document the commutation** of an Allocated or Account-Based pension from a self managed superannuation fund and, if required, commence a “new” pension with the commutation proceeds combined with any other accumulation balance (if applicable). As part of our service, we:

- review the Trust Deed to investigate whether any changes are required in order to make the commutation and pay a “new” pension (if required);
- prepare all relevant letters, minutes, declarations etc for signing by the relevant parties;
- calculate the minimum pension amounts required to be paid prior to the commutation (if any);
- calculate the statutory pension amounts required to be paid for the remainder of the year (if commencing a “new” pension);
- complete statutory forms – ie Rollover benefits statement or PAYG payment summary – superannuation lump sum;
- calculate the tax free proportion of the “new” pension applying each year (if applicable); and
- include a Product Disclosure Statement in relation to any “residual” or “new” pension (if applicable).

Note that this is a documentation service only. The **cost** (inc. GST) of our pension commutation documentation service is as follows (please see payment options overleaf):

Full pension commutation (either rollback to accumulation or lump sum payment)	\$330 per commutation
Full pension commutation and commencement of “new” pension with the rollback proceeds (commutation & commencement to occur on same day)	\$660 for the commutation and commencement and \$330* for each additional commutation and commencement
Partial pension commutation (rollback to accumulation / lump sum payment with a portion of the pension balance, and a “residual” (ie, ongoing) pension continues with the remaining balance)	\$550 per partial commutation
Partial pension commutation and commencement of a “new” pension with the rollback proceeds	\$880 for the partial commutation and commencement
Trust Deed Amendment if requested	\$440 – <i>please complete our “Trust Deed Amendment Service” form</i>

* where the additional documents are completed for the fund at the same time

Confirmation and Acceptance of Terms

I confirm that the information on this form is correct and I have completed the payment details below. *Please note that payment must accompany all requests* (an invoice will be provided in due course).

Name & Signature:

Invoice in the name of:

Section C: Member Details – if there is more than one member commuting please copy this page.

Title: Mr/Mrs/Miss/Ms/Dr Sex: Male/Female
 First Name: Surname:
 Street Address:
 Date of Birth: / / TFN: ____ / ____ / ____
 Eligible Service Date: / /

For pensions that were originally “transition to retirement” (ie non-commutable), on what basis can the member now commute the pension:

- they are rolling back to accumulation phase; or
- they have sufficient unrestricted non-preserved monies from which to draw a lump sum payment; or
- they have met the following condition of release and are able to draw a lump sum payment (if relevant):
 - 65 years of age or over
 - terminated an employment relationship after age 60
 - reached preservation age and have permanently retired.

Section D: Details of original pension (copy this page for multiple commutations)

1. Pensioner’s name	
2. Details of original pension: <ul style="list-style-type: none"> • Commencement date _____ ○ If before 1 July 2007, undeducted purchase price \$ _____ ○ If after 1 July 2007, tax free proportion _____ % • Type of pension <input type="checkbox"/> Allocated <input type="checkbox"/> Account based • Initial balance (ie, balance when the pension started) \$ _____ • Reversionary beneficiary details (if any): <ul style="list-style-type: none"> ○ Name _____ ○ Relationship to pensioner (ie, spouse) _____ ○ Date of birth _____ 	
3. Date at which the commutation should occur	
4. Components of this pension at commutation date # : <ul style="list-style-type: none"> • Tax Free Component _____ • Taxable Component _____ Total pension balance (at market value) \$ _____	
5. Preservation components at commutation date : <ul style="list-style-type: none"> • Preserved _____ • Restricted non-preserved _____ • Unrestricted non-preserved _____ Total (should match the total from [4] above) \$ _____	

These are the new tax components which apply from 1 July 2007:

- Even if the member is **over 60** and is therefore no longer paying tax on his or her pension, the components must still be determined as they affect the tax paid on death.
- For those **under age 60**, unless this pension has previously been commuted (either partially or in full) since 1 July 2007, this commutation will constitute a “trigger” event for transition to the new tax regime.

We can assist in this calculation if required – simply complete our “Crystallised Segment Calculation Service” form (an additional fee of \$110 per calculation will apply).

Section E: Commutation Details (lump sum payment / amount rolled back to accumulation)

<p>1. What payments (gross of tax) have been drawn this financial year from the pension balance prior to this commutation ?</p> <ul style="list-style-type: none"> • Pension payments _____ • Lump sum payments _____ • Payment split (divorce) _____ <p>Total payments *</p>	<p>_____</p> <p>_____</p> <p>_____</p> <p>\$ _____</p>
<p>2. Type of commutation</p> <ul style="list-style-type: none"> • If partial, have any assets been specifically segregated to provide the residual pension? • Form of commutation 	<p><input type="checkbox"/> Full <input type="checkbox"/> Partial</p> <p>Yes / No (if yes, attach full details)</p> <p><input type="checkbox"/> Roll back to accumulation <input type="checkbox"/> Lump sum payment</p>
<p>3. Components of commutation:</p> <ul style="list-style-type: none"> • Tax Free Component _____ • Taxable Component _____ <p>Total amount of commutation</p>	<p>_____</p> <p>_____</p> <p>\$ _____</p>

* Note that the total payments drawn from a “transition to retirement pension” in a financial year are restricted to 10% of the pension account balance. Importantly, “Total payments” includes any pension payments, lump sum payments or payments under a payment split. You should ensure that the amount of the current commutation does not cause the 10% maximum to be breached.

Section F: Authorisation

I hereby authorise Heffron to document changes to my pension based on the information provided to them for this purpose. I understand that unless I have specifically obtained a Statement of Advice from Heffron, Heffron has not reviewed my circumstances to determine the appropriateness of the change and have simply acted on my instructions or instructions received from my adviser(s).

Name: _____

Signature: _____

No further information is required unless you would like a “new” pension commenced with the rollback proceeds. If this is the case, complete Section G overleaf.

