What ECPI method do I use to calculate tax exempt investment income (FY 2021/22 and future income years)?*

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START

Was a **retirement phase** pension paid to any member of the SMSF in the particular income year?

No → The SMSF is **not** entitled to any ECPI in the particular income year

Yes ✓ → Were **all** of the SMSF's assets solely supporting retirement phase pension liabilities during all of that particular income year?

Yes ✓ → **All** of the SMSF's assets are segregated current pension assets during **all** of the particular income year.

The segregated method **must** be used to claim ECPI in relation to income generated during the particular income year.

No → On 30 June of the year immediately preceding the particular income year, did any member of the SMSF have **both**:

- total superannuation balances of more than $1.6m, **and**
- a retirement phase pension (in any fund)?

Yes ✓ → The SMSF **cannot** use the "segregated method" in the particular income year.

An actuarial certificate **must** be obtained in order to claim ECPI in the particular income year.

No → Were **all** of the SMSF's assets solely supporting retirement phase pension liabilities during **some part(s)** of the particular income year?

Yes ✓ → The SMSF can **choose** to obtain an **actuarial certificate** for the **entire income year**. The actuarial certificate % must be applied to all income in that particular income year.

If the **SMSF doesn't make that choice**:

- **all** of the SMSF's assets are segregated current pension assets during such part(s) of the particular income year, and the segregated method **must** be used to claim ECPI in relation to income generated in such part(s), and
- an actuarial certificate **must** be obtained in order to claim ECPI on income generated in any other part(s) of the income year, and the actuarial certificate % can only be applied to the income in any such other part(s).

No → Were **any** of the SMSF's assets specifically set aside to solely support retirement phase pension liabilities during any part(s) of the particular income year?

Yes ✓ → These **specific assets** are segregated current pension assets during such part(s) of the particular income year, and the segregated method **must** be used to claim ECPI in relation to income on these specific assets generated in such part(s).

An actuarial certificate **must** be obtained in order to claim ECPI on income generated on any **other assets** in any **other part(s)** of the income year, and the actuarial certificate % can only be applied to the income on those other assets.

No → Were **all** assets of the SMSF **"pooled"** to support a **combination** of retirement phase pension liabilities and other liabilities such as accumulation accounts, pre-retirement TRIS accounts or reserve accounts during any part(s) of the particular income year?

Yes ✓ → An actuarial certificate **must** be obtained in order to claim ECPI in the particular income year.

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