

KnowHow

How to monitor the transfer balance account

April 2023

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 and is increasing to \$1.9m in 2023/24.

Note: Your personal transfer balance cap may differ from the general transfer balance cap. If you start a retirement phase income stream:

- at any time before 1 July 2021, your transfer balance cap is \$1.6m plus a proportion of the cap indexation
- for the first time from 1 July 2021 and before 1 July 2023, your transfer balance cap is \$1.7m in 2022/23 (from 1 July 2023, your transfer balance cap will be \$1.7m plus a proportion of the cap indexation)
- for the first time on or after 1 July 2023, your transfer balance cap will be \$1.9m.

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 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.

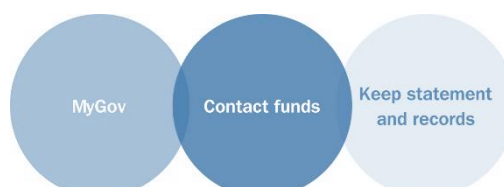
What impacts your transfer balance account?

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).

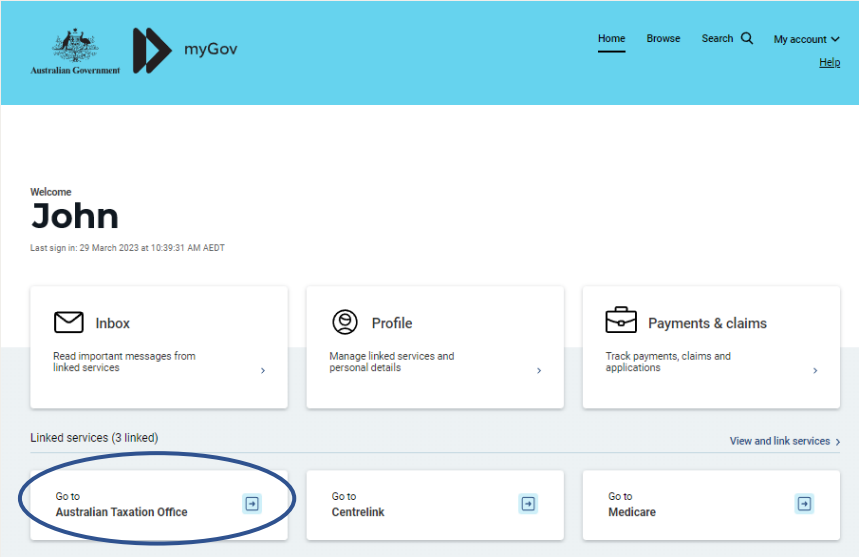
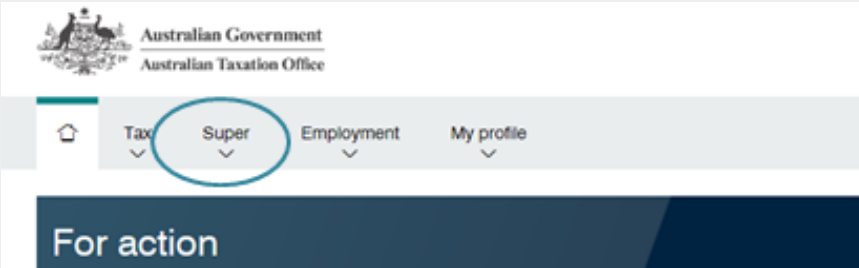
Not all transactions to your pension accounts will result in a debit or credit. For example, pension payments and market movements might change your actual pension balance, but don't affect the calculation of your transfer balance account.

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. At the top, there's a blue header with the Australian Government logo, the myGov logo, and navigation links: Home, Browse, Search, My account, and Help. Below the header, it says 'Welcome John' and 'Last sign in: 29 March 2023 at 10:39:31 AM AEDT'. There are three main service tiles: 'Inbox' (Read important messages from linked services), 'Profile' (Manage linked services and personal details), and 'Payments & claims' (Track payments, claims and applications). Below these is a section for 'Linked services (3 linked)' with a 'View and link services' link. Three links are shown: 'Go to Australian Taxation Office' (circled in blue), 'Go to Centrelink', and 'Go to Medicare'.</p>
Select the 'Super' tab	 <p>The screenshot shows the Australian Taxation Office myGov interface. At the top, there's a header with the Australian Government logo and 'Australian Taxation Office'. Below this is a navigation bar with four tabs: 'Tax', 'Super' (circled in blue), 'Employment', and 'My profile'. Below the navigation bar is a dark blue banner that says 'For action'.</p>

How to monitor the transfer balance account

Click the 'Information' option and then 'Transfer balance cap'

Home

Tax

Super

Employment

My profile

Fund details

Information

Manage

Total superannuation balance

Concessional contributions

Carry-forward concessional contributions

Non-concessional contributions

Bring forward arrangement

Transfer balance cap

Employer contributions

YourSuper comparison

For action

Lodgments

Account	Description
Income tax 557	Jul 2021 -

Payments are up to date.

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

Click the hyperlink 'Transfer balance account – view transactions' 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.

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

\$782,000.00

Description	Amount
Your current personal transfer balance cap	\$1,646,000.00
Transfer balance account - view transactions	\$864,000.00

Print-friendly version

How to monitor the transfer balance account

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

Transfer balance account - view transactions

If you believe that this information has been reported incorrectly, or there are events that have not been reported, please contact your superannuation provider.

Transactions

Download

[Key definitions](#)

Effective date	Received date	Description	Amount	Balance
30/06/2021	01/07/2021	Superannuation income stream	\$864,000.00 CR	\$864,000.00 CR

Back

Print-friendly version

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.

Australian Government
Australian Taxation Office

Return to myGov

Home

Tax

Super

My details

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.

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.

Help

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.

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.

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

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

How to monitor the transfer balance account

For more information	<p>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.</p> <p>It is important that you speak with your financial adviser, or visit the ATO website for more information.</p>
----------------------	---

Important information and disclaimer

This document has been prepared by Actuate Alliance Services Pty (ABN 40 083 233 925, AFSL 240959) (Actuate), a related entity of Insignia Financial Ltd ABN 49 100 103 722. The information in this document is factual in nature. It reflects our understanding of existing legislation, proposed legislation, rulings etc as at the date of issue, and may be subject to change. In some cases, the information has been provided to us by third parties. While it is believed the information is accurate and reliable, this is not guaranteed in any way. Examples are illustrative only and are subject to the assumptions and qualifications disclosed. Past performance is not a reliable indicator of future performance, and it should not be relied on for any investment recommendation. To the extent that the information in the document contains general advice, it has been prepared without considering any person's individual objectives, financial situation or needs. You should consider the appropriateness of the general advice in light of your own objectives, financial situation or needs.

This document is not available for distribution outside Australia and may not be passed on to any third person without the prior written consent of Actuate. Whilst care has been taken in preparing the content, no liability is accepted by Actuate or any member of the Insignia Financial group, nor their agents or employees for any errors or omissions in this document, and/or losses or liabilities arising from any reliance on this document.