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Your Reference: Reversionary Pension Kit - Neal
Our Reference: 9600111101600
Telephone: 1800 141 612

01 November 20

Prepared with your Fund name and details.
View the Pension Kit: legalconsolidated.com.au/reversionary-pension/

Neal Nominees Pty Ltd ACN 938 383 838
23 Neales Street
Kaleen ACT 2617
Australia

Dear Trustee,

Self-Managed Superannuation Fund
Reversionary Pension Kit

The Idomatic Super Fund

Enclosed is the **SMSF Reversionary Pension Kit**.

How to print your document

It is the trustee's responsibility to ensure that all documents in this kit are reviewed, understood and signed under the Fund's governing rules and current superannuation legislation. A company may execute electronically under sections 110A and 127 of the *Corporations Act 2001* (Cth) if their requirements are met. Human trustees and members must meet the signing and witnessing requirements applicable to them. Seek professional advice from your accountant and financial planner and, when satisfied that the document is correct:

1. Download the PDF (Do not print directly from the browser.)
2. Print the PDF Printer settings: A4 paper
   100% scale (turn off 'fit to page')
3. Print single sided (NOT duplex).

Confirmation of your instructions

Please check the names, addresses and other details against your instructions. Our drafting role and the work we have not undertaken are explained below.

You have told us that the name of your Self-Managed Superannuation Fund is the Idomatic Super Fund (**Fund**) in which membership is currently comprised of:

Brian Neal Terriaca of 1 Neal Street, Brighton QLD 4017, Australia

Janine Cosgrave Buss of 1 Brighton Street, Petersham NSW 2049, Australia

Liability limited by a scheme approved under Professional Standards Legislation

What is in the Reversionary Pension Kit

Your Reversionary Pension Kit for the Idomatic Super Fund contains documents for pension and commutation, to be tailored by your accountant for ATO compliance:

1. **Trustee Minutes** - to adopt and accept the Deed of Variation
2. **Deed of Variation** - updates your SMSF Deed to allow for Pensions and Reversionary Pensions
3. **Product Disclosure Statement** – this is required to start a Pension
4. **Member Nomination Instruction** – allows the member to tell the trustee that the member wants to start a pension (and who gets the pension when the member dies)
5. **Binding Trustee Resolution** – to accept the Member Nomination Instruction
6. **Notes for Preparing a Trustee Resolution** — guidance for the accountant and financial planner. The following commencement and commutation documents are examples to adapt to the Fund.
7. **Trustee Resolution** – Commencement of Pension – example resolution for trustees to document pension start and type for ATO compliance
8. **Member Commutation Request** – example form for member to request pension commutation for ATO compliance
9. **Notes for Preparing Pension Commutation Documents** — includes a sample trustee resolution structure to adapt to the Fund.
10. **Commutation Confirmation Notice** – example notice to confirm pension commutation for Fund records and ATO compliance

The above commencement and commutation documents are examples only. Your accountant must customise them for Fund compliance. These documents are not legal advice. Consult your accountant or lawyer for Fund-specific compliance.

Updating your Deed to allow for Pensions and Reversionary Pensions

The attached Deed of Variation updates the Fund's governing rules for pensions and reversionary pensions. Before signing, the Trustee must check the amendment power in the Original Deed and subsequent variations and satisfy all required consents and conditions.

What is a 'reversionary pension'?

A reversionary pension must be established and documented before your death and pass automatically to an eligible dependant. For a child, eligibility at your death requires that the child is under 18, or under 25 and financially dependent on you, or has the disability specified in regulations 6.21(2A) and (2C) of the *Superannuation Industry (Supervision) Regulations 1994* (Cth). An interdependency relationship alone does not replace these additional requirements for a child.

Why would you want to keep wealth in your SMSF after you die?

Superannuation provides tax concessions for retirement savings. On your death, the Trustee must cash your death benefits as soon as practicable under superannuation law. Payment is generally to your dependants or legal personal representative. An eligible dependant may receive a death benefit pension instead of a lump sum.

A valid reversionary pension continues automatically to the nominated eligible dependant when you die. This may keep the pension assets within the superannuation system. A new death benefit pension may also be available to an eligible dependant where there is no reversionary arrangement. Your financial adviser and accountant should compare the options and tax consequences.

Unless the qualifying disability exception applies, a child's death benefit pension must be commuted and cashed as a lump sum by the child's 25th birthday. Earlier cashing requirements may apply when the pension is commuted or its term ends: regulation 6.21(2B).

The Reversionary Pension must be 'automatic' at your death

The ATO describes a reversionary pension in Taxation Ruling TR 2013/5 [29]:

> A superannuation income stream ceases as soon as a member in receipt of the superannuation income stream dies, unless a dependant beneficiary of the deceased member is automatically entitled, under the governing rules of the superannuation fund or the rules of the superannuation income stream, to receive an income stream on the death of the member. If a dependant beneficiary of the deceased member is automatically entitled to receive the income stream upon the member's death, the superannua

The ATO provides further guidance in th

> A reversionary death benefit inco
> that reverts to the reversionary b
> death. That is, the superannuatio
> to it passing from one person (th
> beneficiary).

Your pension needs a clear path after your death. The beneficiary must become entitled automatically under the pension terms. A fresh trustee decision creates a different arrangement. Read the nomination and trustee acceptance together.

ATO, Taxation Ruling TR 2013/5 [29].

Explore your Reversionary Pension Kit:
legalconsolidated.com.au/reversionary-pension/

Reversionary Pensions vs Binding Nc

The deed allows for Reversionary Pensi
set up as part of the pension establishm
pension. They are not part of the Bindin
are part of a pension establishment. The recipient (assuming they fall under the definition of dependant) can either take the benefit as a pension or a lump sum. This decision is largely dependent upon whether they are already in receipt of a pension and also the liquidity of investments in the Self-Managed Superannuation fund.

Which happens first: Reversionary Pension or Binding Nomination?

In *Hill v Zuda Pty Ltd* [2022] HCA 21, the High Court held that regulation 6.17A does not apply to SMSFs. The judgment does not establish a universal priority between a reversionary pension and a binding death benefit nomination. The Fund's governing rules and valid pension terms determine that priority, subject to mandatory law.

Under this Deed, a valid reversionary pension nomination accepted by the Trustee takes priority over an inconsistent Binding Death Benefit Nomination or other death benefit agreement for that specific pension account. For example, a valid reversionary nomination to your spouse governs that pension even if a general binding nomination directs your remaining super to your estate.

The priority rule does not direct benefits outside that pension account. Check the pension terms and all existing death benefit directions together before signing.

Transfer Balance Cap

The Transfer Balance Cap may impact the establishment or continuation of a reversionary pension, and your financial planner and accountant should assess whether this affects the SMSF or its members and

For a reversionary account-based pensio
receives a credit 12 months after the mem
pension at the date of death, not its value
Income Tax Assessment Act 1997 (Cth).
beneficiary's entitlement to the pension o

A matter of concern for your adviser and
is the Transfer Balance Cap (**TBC**) for ea
required regarding the impact on the bene
Pension.

When someone leaves a reversionary pe
for the pension cap is frozen at death.

The twelve-month delay concerns the transfer balance credit. It does not postpone the beneficiary's pension entitlement. Your accountant uses the pension value at death and plans for the beneficiary's available cap.

Income Tax Assessment Act 1997 (Cth) s 294-25(1).

Build your Pension Kit here:
legalconsolidated.com.au/reversionary-pension/

Your financial advisers and accountants should consider:

- Would this cause the recipient to go over the TBC?
- Is the recipient already receiving a pension?
- Is there the capacity to commute any existing pension to manage the TBC?
- Would a death benefit pension created using a BDBN be more appropriate?

The Deed's preservation clauses retain valid existing arrangements subject to the specific reversionary pension priority rule and mandatory law.

Our work and your responsibilities

Legal Consolidated has prepared these documents with due care and skill from your instructions. We remain responsible for our drafting work and any duties or consumer guarantees that the law does not permit us to exclude.

We act for the Trustee in that capacity. We do not act for members or beneficiaries personally. We have not independently investigated the Fund's history or reviewed its earlier deeds, pension terms or existing nominations. We do not provide personal financial, investment or accounting advice through this Kit.

The Trustee must confirm the Fund's actual arrangements, check its power to amend the governing rules, obtain required consents and execute the documents validly. Your financial adviser and accountant should assess the pension strategy, tax consequences and reporting obligations.

This is not a Reversionary Pension itself

Reversionary pensions are complex and delicate arrangements; this kit provides only the legal mechanism to enable one, and you must work closely with your accountant and financial planner to properly establish, implement and maintain the Pension.

Fettering the Trustee's Discretion

For a pension to be reversionary, the eligible beneficiary's entitlement must arise automatically on the member's death. The Trustee must not retain discretion to decide whether that pension continues or who receives it. If a fresh Trustee decision is required, any pension granted is a new death benefit pension, with different commencement and transfer balance timing. This does not remove the Trustee's duties to check eligibility and comply with the law.

This now concludes the matter. Thank you for your instructions.

Yours sincerely,

Legal Consolidated

Legal Consolidated Barristers & Solicitors

Minutes to accept the Deed of Variation of a Self-Managed Superannuation Fund to allow for Account Based Pensions and Reversionary Pensions

Held at ……

Present:

Neal Nominees Pty Ltd

23 Neales Street, Kaleen ACT 2617, Australia

(**Trustee**)

Brian Neal Terriaca

1 Neal Street, Brighton QLD 4017, Australia

Janine Cosgrave Buss

1 Brighton Street, Petersham NSW 2049, Australia

(Membership)

Quorum: It was noted that a quorum was present at the meeting.

Notice of Meeting: The Trustee confirms that the meeting was called and held under the Fund's Deed, any applicable company constitution and the law. Any waiver of notice operates only to the extent those rules and the law permit.

The Deed of Variation of a Self-Managed Superannuation Fund to allow for Account Based Pensions and Reversionary Pensions (**De**
as the Idomatic Super Fund was tabled.

It was resolved that:

1. The Trustee acknowledges capaci
   Fund.
2. No Trustee, or director of a corpor
   Superannuation Industry (Supervis
3. The Trustee consents and agrees
   (which is tabled and attached to th
4. The Trustee adopts the pension pr
   execution and satisfaction of the a
   conditions.

Keep the decision with the Deed. These minutes record the trustee's adoption of the variation. Complete and sign the meeting record so your accountant and auditor can follow what happened.

Read with the Deed of Variation and its signing requirements.

Build your Pension Kit here:
legalconsolidated.com.au/reversionary-pension/

There being no further business the meeting was declared closed.

Signed as a true and correct record of the meeting immediately after the meeting.

Neal Nominees Pty Ltd (Trustee) ……..…... Date: …… 20

Brian Neal Terriaca (Member) ……..…... Date: …… 20

Janine Cosgrave Buss (Member) ……..…... Date: …… 20

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Deed of Variation of a Self-Managed Superannuation Fund to allow for Account Based Pensions, Reversionary Pensions and Pension Rollbacks for the Idomatic Super Fund

This **Deed of Variation** for the **Idomatic Super Fund** as a self-managed superannuation fund is made by:

Neal Nominees Pty Ltd ACN 938 383 838
23 Neales Street
Kaleen ACT 2617
Australia (Trustee)

The Parties agree:

1. Self-Managed Superannuation Fund confirmation

1.1 The parties confirm that this is a Self-Managed Superannuation Fund and continues as an indefinitely continuing self-managed superannuation fund known as the Idomatic Super Fund under the SIS Legislation as set up under the Original Deed (and any subsequent variations from time to time).

1.2 The Fund remains vested in the Trustee under the terms of the Original Deed and this Deed of Variation.

1.3 The Trustee exercises the power of amendment in the Original Deed and subsequent variations to make the changes in this Deed. The Trustee confirms that all consents and conditions required to exercise that power have been satisfied. This Deed does not confer a powe
otherwise hold.

Start with the existing Deed. This variation uses its amendment power; it does not invent a missing power. Check the earlier deeds and required consents before signing.

Your Kit records the authority for the amendment.

Build your Pension Kit here:
legalconsolidated.com.au/reversionary-pension/

2. Dictionary

Unless a contrary intention appears:

Asset-test Exempt Pension includes a
law including under the *Social Security A*

Beneficiary a person immediately and a
a member and it only includes a membe
absolutely entitled to a Benefit for anothe

Benefit an amount payable out of the Fund to or for a member or Beneficiary

Contributions gross contributions made to the Fund before tax under this Deed and other contributions, after-tax, as the context requires

Dependant has the meaning given by the SIS Act in relation to the relevant member. It includes:

(i) a spouse within the statutory definition;
(ii) a child within the statutory definition;
(iii) a person in an interdependency relationship with the member; and
(iv) a person financially dependent on the member. Eligibility to receive a death benefit pension is subject to the additional requirements of regulation 6.21 of the SIS Regulations.

Deed or **Deed of Variation** this document which is a deed of variation for the Fund known as the Idomatic Super Fund as amended from time to time

Fund the superannuation fund established by the Original Deed known as the Idomatic Super Fund

Member a person admitted as a member under the terms of the Deed, duly recorded as a member and has not ceased to be a member and the first being:

Brian Neal Terriaca of 1 Neal Street, Brighton QLD 4017, Australia

Janine Cosgrave Buss of 1 Brighton Street, Petersham NSW 2049, Australia

Nominated dependant a person nominated by a member to receive a benefit, who must satisfy the applicable eligibility requirements when the benefit becomes payable.

Original Deed the deed that first established the Idomatic Super Fund

Responsible Authority as the case requires, the relevant body responsible for superannuation including the Australian Taxation Office, the Australian Prudential Regulation Authority and the Australian Securities & Investments Commission

Roll-over a transfer of superannuation benefits between funds or interests in accordance with Superannuation law.

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y paid and partly paid stocks,
r similar securities. Neither

1993

ther applicable Commonwealth
ne.

) Regulations 1994

nation or Trustee decision does

A nominated person must qualify under superannuation law. Being named on a form does not make someone eligible to receive a pension. Check the relationship and the pension rules together.

Superannuation Industry (Supervision) Regulations 1994 (Cth) reg 6.21.

Explore your Reversionary Pension Kit:
legalconsolidated.com.au/reversionary-pension/

(b) any common law or law including the *Corporations Act 2001* and the *Social Security Act 1991*, relating to superannuation or the taxation of superannuation
(c) any lawful requirement to the Fund by a Responsible Authority
(d) any other body that has responsibility for the regulation of superannuation including an Asset-test Exempt Pension
(e) changes to any superannuation law after the date of this Deed
(f) any proposed law or lawful requirement that the Trustee believes may have retrospective effect

Tax Act *Income Tax Assessment Act 1936* and *Income Tax Assessment Act 1997* as appropriate

These terms have the meaning given by the applicable SIS Legislation, as the context requires:

actuary, annuity, approved auditor, approved deposit fund, binding death benefit notice, cash, civil penalty order, eligible roll-over fund, gainful employment, growth pensions,

interdependency relationship, mandated employer contributions, non-binding nomination form, pension age, pension dependent, preservation age, regulated superannuation fund, self-managed superannuation fund, shortfall component, superannuation fund, transition to retirement pension, unrestricted non-preserved benefit

and also, under the Tax Act:

approved deposit fund, excess contributions, member release authority, transitional employment termination payment

3. Deed subservient & augmented by legislation

3.1 This Deed of Variation is subject to mandatory Superannuation law. Its provisions must be applied so that:

3.1.1 it complies with the Superannuation law
3.1.2 the Fund satisfies the requirements for a self-managed superannuation fund;
3.1.3 any tax concession is claimed only when its statutory conditions are met;
3.1.4 members and Beneficiaries obtain deductions only where permitted by tax law;
3.1.5 any asset-test exemption for a pension is relied on only where its statutory conditions are met;
3.1.6 any applicable fringe benefits ta
3.1.7 the Trustee and its directors c
does not prevent a regulator or

(collectively **Requirements**)

3.2 To achieve the Requirements, fron

3.2.1 this Deed of Variation is read d
3.2.2 this Deed of Variation is deeme
Superannuation law
3.2.3 this Deed of Variation is deeme
be excluded by Superannuation
3.2.4 Trustee and member rights, pr
and the allowance of omission
read into this Deed
3.2.5 Trustee and member mandatory requirements, actions, restrictions and omissions, in the Superannuation law are read into this Deed
3.2.6 any covenant or other requirement made necessary by the Superannuation law to be included in this Deed is deemed to be included
3.2.7 if the Superannuation law no longer requires any such covenant or requirement to be so included then the covenant or requirement ceases to be included
3.2.8 if any such covenant or requirement or its operation is pursuant to the provisions of the Superannuation law modified then the Trustee is only required to comply with the covenant or requirement as it may be so modified
3.2.9 a non-mandatory change to the governing rules must be made under a valid amendment power and comply with its required form, consents and conditions.

3.3 The Superannuation law prevails over the terms of this Deed to the extent of any inconsistency.

Your Deed and the law work together. These provisions keep the pension rules subject to mandatory superannuation requirements. The paperwork supports the arrangement; the trustee must also carry it out correctly.

Read the operative pension provisions with these safeguards.

Build your Pension Kit here:
legalconsolidated.com.au/reversionary-pension/

3.4 The Deed is interpreted to avoid any illegality. If any clause is nonetheless illegal, it is severed from the Deed to the extent of the illegality.

3.5 The Deed is read down so that no mandatory taxation law, duty or impost (both State and federal) or Responsible Authority direction from time to time, is contravened that would lead to an unfavourable taxation position.

3.6 Irrespective of the Deed, the Trustee complies with (and is authorised to so act on) any mandatory directions of any Responsible Authority.

3.7 Every part of this Deed, every clause and term is subservient to the above clauses.

4. Date Deed of Variation starts

This Deed of Variation takes effect when validly executed by all required parties and all conditions for the amendment have been satisfied (Start Date). It does not retrospectively create a pension or reversionary entitlement.

5. Trustee Powers

The Trustee's powers are further augmented:

Member Accounts

5.1 dealing with a member's entitlements and obligations in any way, including the setting up, crediting and debiting of accumulation, pension, reversionary pensions, income, forfeiture, equalisation and other accounts and trusts (including bare and holding trusts) for any purpose incl[illegible] any Superannuation law and publi[illegible]

5.2 establish a sub-account of any acc[illegible] trusts

Starting a pension involves more than signing a form. Identify the pension, its starting balance and the condition of release. Your accountant and financial adviser help match the arrangement to your circumstances.

The application and trustee resolution record the next steps.

Explore your Reversionary Pension Kit:
legalconsolidated.com.au/reversionary-pension/

Dealings

5.3 dealing with, crediting, allotting to a[illegible] rejecting) and making provision for[illegible] time, in proportion as the Trustee t[illegible]

5.4 an amount transferred from any ac[illegible] reversionary pension account

5.5 commutation of a pension

Payments, pensions and automatic up[illegible]

5.6 paying Benefits in accordance with the applicable conditions of release and cashing restrictions. Pension payments must be made in money. A lump sum may be paid in specie only where the Deed and Superannuation law permit. These powers include:

5.6.1 making payments in stages, such as, an initial payment and then subsequent payments or instalments

5.6.2 being wholly determined by reference to policies of life assurance

5.6.3 paying interest on the Benefit

5.6.4 at any age, whether working full time or not, and including, but not limited to:

5.6.5 after the member's retirement

5.6.6 death

5.6.7 paying death benefits to recipients and in forms permitted by Superannuation law, in accordance with a valid binding direction or the Trustee's lawful discretion. Regulation 6.17A does not itself apply to an SMSF; any nomination requirements adopted by the Fund's governing rules must be followed.

5.7 allowing a member to use any lump sum benefit for a pension including all pensions referred to in this Deed

5.8 allowing a member to seek a withdrawal from the Fund or, conversely, retention and deferral of the payment of the Benefit

5.9 allowing a member's own pension to be commuted to accumulation where permitted; a death benefit pension must not be commuted to accumulation;

5.10 allowing a member to stop a pension or income stream and start a new pension or income stream for any purpose, including cash flow and estate planning

5.11 adjusting the Benefit where new or

5.12 stop an income stream, commute a
allow for a commutation of a Bene
nature, roll overs and transfers of i

5.13 augmentation of all powers to allov
rules or laws as required, mandatc
Superannuation law, any other law
ruling or direction

5.14 allow for the commencement, subr
acceleration, proportionation of an
of an account-based pension, reve
retirement income stream

5.15 being bound to follow a binding de

Your own pension and a death benefit pension are different. Do not roll a commuted death benefit into accumulation. Its destination must comply with the death benefit cashing rules.

Superannuation Industry (Supervision) Regulations 1994 (Cth) reg 6.21.

Build your Pension Kit here:
legalconsolidated.com.au/reversionary-pension/

5.16 allowing a member to use any lump sum benefit for a pension including all pensions referred to in this Deed

5.17 allowing a member to seek a withdrawal from the Fund or, conversely, retention and deferral of the payment of the Benefit

5.18 allowing a member's own pension to be commuted to accumulation where permitted; a death benefit pension must not be commuted to accumulation;

5.19 allowing a member to stop a pension and start a new pension for any purpose, including cash flow and estate planning

5.20 adjusting the Benefit where new or more correct information comes to hand

5.21 to allow elections of any nature

5.22 being bound to follow any binding death benefit agreement or nomination

Automatic reversion of a pension

A Member may nominate one eligible beneficiary in writing to receive a specified pension upon the Member's death. The Trustee must accept the nomination in writing and incorporate it into the terms of that pension during the Member's lifetime.

If the nomination remains in force and the nominated beneficiary survives the Member and is eligible under Superannuation law to receive the pension, the pension automatically continues to that beneficiary upon the Member's death. No further decision or consent of the Trustee is required to establish that entitlement.

The Trustee must give effect to that entitlement. A general power under this Deed to select beneficiaries or determine the form of payment does not override it.

If the nominated beneficiary does not survive the Member or is ineligible to receive the pension, the Trustee must deal with the death benefit under the remaining provisions of the Deed and Superannuation law.

A child may receive a death benefit pension only if, at the Member's death, the child is under 18, or under 25 and financially dep
specified in regulations 6.21(2A) and (2C
exception applies, the pension must be c
Earlier cashing requirements on commuta
regulation 6.21(2B).

A child's age alone is not enough. Special eligibility and cashing rules apply to children. Check the conditions at death and any requirement to cash the pension by age 25.

Superannuation Industry (Supervision) Regulations 1994 (Cth) reg 6.21.

Explore your Reversionary Pension Kit: legalconsolidated.com.au/reversionary-pension/

Payment to legally disabled

5.23 if the Trustee forms the opinion that
may otherwise be payable is:

5.23.1 under a legal disability (includ
minor, mental illness, drug addic
5.23.2 is unable for any reason to satisf
5.23.3 then the Trustee may apply t
permitted by the Deed and Superannuation law. No power in this section permits payment to an ineligible recipient or postponement contrary to mandatory cashing requirements. Subject to those limits, payment may be made:
5.23.4 to any Dependant of the member or other person
5.23.5 for or towards that member's maintenance, education, advancement, accommodation, general wellbeing or otherwise in any form, on any conditions
5.23.6 to any of the member's family, including spouse, parents, brother, sister, grandparents, lineal descent, any person who appears to be a trustee or guardian of the member, any person who appears to have the care or custody of the member or any person who appears to be paying the member's financial expenses

Death Benefit Agreement

5.24 to establish rules and forms for death benefit agreements and nominations under the Fund's governing rules, subject to Superannuation law and the reversionary pension priority rule in this Deed.

Varying the Trust

5.25 vary this Deed only by a written instrument made under a valid amendment power, in the required form and with all required consents and conditions satisfied. No variation may retrospectively create a pension or reversionary entitlement or unlawfully reduce an accrued entitlement.
5.26 Unless expressly varied by a valid amendment, existing pension terms and death benefit directions continue, subject to the specific reversionary pension priority rule in this Deed.

6. Protecting preserved rights, concessions, regulator requirements and existing arrangements

In-house asset rules

- If any clause in this Deed of Variation adversely affects the grandfathering provisions for any structures or transactions that the Idomatic Super Fund has in place for the in-house asset rules including for sections 71A to 71E *Superannuation Industry (Supervision) Act 1993* then the inconsistent provisions are read down or severed to the extent necessary so as not to adversely affect any such transactions or structures that are in place.

Defined Benefit Pensions

- The Deed of Variation is read down so as to preserve any continuity and payments of defined benefit pensions and any other pensions and payments. Any power to pay a defined benefit pension (under the Deed) is preserved.

Accrued Benefits preserved

- This Deed of Variation is not intended to, and does not, prejudice or reduce any entitlement or Benefit that has accrued. This Deed of Variation is read down, as

Existing arrangements matter. Give your adviser the earlier deeds, nominations and pension records. The preservation provisions should be read with the specific priority rule on the next page.

Keep the full chain of Fund documents together.

Build your Pension Kit here:
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Pr **treatment**

- rejudice or defeat any
  tment, landholder duty
  al relief, regulatory status,
  ruling, determination, approval,
  to the Fund, the Trustee, a
  e Start Date.

M

- nd, the Trustee and each Member comply with all mandatory requirements, undertakings, directions, conditions, notices, rulings, determinations, consents, approvals and requirements of any Responsible Authority. If any clause of this Deed of Variation is inconsistent with those requirements, the clause is severed or read down to the extent needed to comply.

Existing restrictions and quarantined assets preserved

- If, before the Start Date, any asset, Member interest, pension, benefit, transaction or structure was subject to a restriction, quarantine, segregation, allocation, non-pooling rule, separate account, transfer condition, duty condition, tax condition, regulatory condition, undertaking or other special rule, that rule continues to apply unless permitted by law, and the Trustee expressly states otherwise in writing.

Earlier protective provisions prevail

- Earlier protective provisions continue to preserve historical tax concessions, grandfathering and regulatory conditions. They do not displace the specific

reversionary pension priority rule in this Deed. Mandatory law and accrued entitlements remain protected.

No adverse reconstruction

- Nothing in this Deed of Variation is intended to create a resettlement, new trust, new fund, new beneficial interest, transfer of beneficial ownership, merger of segregated interests, release of restrictions, pooling of quarantined assets or change in the underlying ownership of any Fund asset. The original trust relationship continues unbroken.

Binding Death Benefit Nominations (BDBNs) and Reversionary Pensions preserved

- A nomination or death benefit agre
effective only if it was validly made
New form or witnessing requireme
operation remains subject to the re

6.1 To the extent of any inconsistency
accepted by the Trustee under this
or other death benefit agreement,
that specific pension account. This
this Deed to that extent only. It doe
otherwise invalid amendment or nc
account.

Which direction wins? This Deed gives the valid reversionary nomination priority for its specific pension account. Hill v Zuda confirms that reg 6.17A does not apply to SMSFs; your governing rules still matter.

Hill v Zuda Pty Ltd [2022] HCA 21.

Explore your Reversionary Pension Kit:
legalconsolidated.com.au/reversionary-pension/

Limited Recourse Borrowing Arrange

- Where the Fund has entered into a Limited Recourse Borrowing Arrangement (LRBA) (including any bare trust, holding trust, or related party loan) prior to the Start Date, nothing in this Deed of Variation alters the terms of that borrowing, creates a new charge over Fund assets, or otherwise causes a breach of section 67A of the *Superannuation Industry (Supervision) Act 1993*.

Guardians, Attorneys, and Successor Appointments preserved

- Any valid appointment of a Member Benefit Guardian, Death Benefit Guardian, Enduring Power of Attorney (EPOA), legal personal representative, or successor Trustee made under a prior deed is expressly preserved and continues to operate under this Deed of Variation.

Existing Reserves and Unallocated Contributions

- Existing reserves and unallocated contribution accounts remain subject to applicable allocation, contribution and tax rules. This Deed does not require their immediate allocation or winding up and does not preserve an abolished tax deduction.

7. Notices

Any notice or other written communication is given to a person if it is handed to the person or delivered to the person's last known address via Australia Post or by any other means

8. No Partnership

The Deed does not create the relationship of partners, or of principal and agent, between the Trustee and the members nor as between each other

9. Signing the Deed in different locations

The Deed may be executed by executing identical documents (counterpart).

10. Interpreting the Deed

In the Deed unless the context indicates a contrary intention:

10.1 headings are for convenience only and do not affect interpretation

10.2 a reference to a person includes a
(wherever incorporated); body poli
or unincorporated) partnership; tru
as a trustee, custodian or persona

10.3 the plural includes the singular and
includes every other gender or no

10.4 a reference to the Deed includes a
variation, supplemental deed or re

10.5 references to any party to this Dee

10.6 references to laws in the Deed refe
the overall purpose of the Deed ar

10.7 reference to any statute, subordinate legislation or instrument includes all statutes, subordinate legislation and instruments amending, modifying, consolidating, re-writing, re-enacting or replacing them and a reference to a statute includes all subordinate legislation and instruments made under that statute

10.8 if any part of the Deed is invalid, that does not affect the validity of the remainder of the Deed

Signing in different places? Use identical counterparts and keep the completed set together. Check who must sign and how, before arranging execution.

Read the counterpart clause with the execution page.

Build your Pension Kit here:
legalconsolidated.com.au/reversionary-pension/

Executed as a **Deed** on ……20……

EXECUTED for and on behalf of
Neal Nominees Pty Ltd
ACN 938 383 838
Trustee, by authority of its Directors in
accordance with section 127
Corporations Act 2001 (Cth)

_____	_____
Signature of Director or Secretary	Signature of Director (if a 2nd)

Bind this Application form with your SMSF Deed of Variation and copy as required

Application to the Idomatic Super Fund to commence an Account Based Pension

---

Member Applicant Full Name: ……..…… (complete in blue pen)

Dear Trustee,

After reading, keeping a copy of and understanding the:

1. Idomatic Super Fund (Deed)
2. any variations of the Deed
3. Deed of Variation of the SMSF Deed to allow for Pensions
4. Product Disclosure Statement to allow for Pensions

I agree to be bound by the above documents and the Superannuation law.

Further, I:

5. hereby request the Trustee to co
   amount from my Lump Sum Sup
6. confirm that I have met the condi
   requested and have identified an
7. confirm that the pension terms m
   the SIS Regulations;
8. confirm that the Trustee has che
   cashing restrictions for my pensi
9. consent to my tax file number be..
   authorities and professional advisers

Name the person who should receive this pension after you die. The instruction must identify the pension and the eligible beneficiary. The trustee's acceptance completes an important part of the record.

Read this application with the Binding Trustee Resolution.

Build your Pension Kit here:
legalconsolidated.com.au/reversionary-pension/

Reversionary Pension Instruction

10. I nominate the beneficiary identified below to receive the pension described in this Application upon my death. I request that the Trustee accept this nomination as a term of that pension. Once accepted, this nomination directs that the pension automatically continues to the nominated beneficiary upon my death, provided that beneficiary survives me and is eligible under Superannuation law to receive it.
11. This nomination relates only to the pension described in this Application. Once accepted, it replaces any previous reversionary nomination for that pension.

12. If the nominated beneficiary does not survive me or is ineligible to receive the pension, the Trustee must deal with the death benefit under the remaining

These details connect the instruction to a particular pension. Check the balance, commencement date and beneficiary carefully. Keep the signed application with the pension records.

A completed record helps your advisers follow your instructions.

Explore your Reversionary Pension Kit:
legalconsolidated.com.au/reversionary-pension/

M	…….. DOB: …….
Pr	$……
Da	……/ ……/ 20…..
Minimum Annual Income Stream payment	AUS$……
Current Year Account Based Pension payment	AUS$……
Tax Free / Taxable Component	……..% tax free / ……..% taxable
Reversionary Pension Beneficiary: The person nominated to receive 100% of this pension upon my death.	Full name: …… Date of birth: …… Relationship: ……

Signed by the Member Applicant

…….. Date: …… 20 ……

Witness signature:……

Witness full name: ……..

Binding Trustee Resolution to accept an Application to commence an Account Based Pension and Reversionary Pension Beneficiary direction at death for a member of the Idomatic Super Fund

Held at ……

Present:

Neal Nominees Pty Ltd

23 Neales Street, Kaleen ACT 2617, Australia

(**Trustee**)

Brian Neal Terriaca

1 Neal Street, Brighton QLD 4017, Australia

Janine Cosgrave Buss

1 Brighton Street, Petersham NSW 2049, Australia

(Membership)

Quorum: It was noted that a quorum was present at the meeting.

Notice of Meeting: The Trustee confirms that the meeting was called and held under the Fund's Deed, any applicable company constitution and the law. Any waiver of notice operates only to the extent those rules and the law permit.

An Application to Commence an Account Based Pension (**Application**) in relation to a member of the Idomatic Super Fund was

It was resolved that:

1. The Application to Commence ar
Applicant (as named below), as t
Resolution be accepted.
2. The Trustee accepts the reversic
term of the pension described in
pension automatically continues
remains in force, the beneficiary
eligible under Superannuation la
consent is required to establish t
3. The Account Based Pension on behalf of the Member Applicant be so commenced.
4. The Trustee is to forward this Binding Trustee Resolution to accept an Application to commence an Account Based Pension and Reversionary Pension Beneficiary direction at death to the Member Applicant as notification and acceptance of the commencement of the Pension.

The member requests. The trustee accepts. This resolution records acceptance of the reversionary nomination as a term of the pension. Keep both documents together.

Automatic continuation depends on the governing terms and eligibility.

Build your Pension Kit here:
legalconsolidated.com.au/reversionary-pension/

Member Applicant Full Name: ……..……..

There being no further business the meeting was declared closed.

Signed as a true and correct record of the meeting immediately after the meeting.

Neal Nominees Pty Ltd (Trustee) ……..…... Date: …… 20

Brian Neal Terriaca (Member) ……..…... Date: …… 20

Janine Cosgrave Buss (Member) ……..…... Date: …… 20

Notes for the accountant and financial planner preparing a Trustee Resolution for Pension Commencement

The Fund's accountant and financial planner should prepare a trustee resolution to document the commencement of a pension of the Self-Managed Superannuation Fund. This is useful in providing an audit trail for the Australian Taxation Office (ATO) and SMSF auditors, as required by superannuation law.

The accountant and financial planner should draft a resolution tailored to the Fund's individual circumstances, ensuring compliance with the *Superannuation Industry (Supervision) Regulations 1994* and Taxation Ruling TR 2013/5.

The example minute on the next page must be adapted to the Fund's circumstances before use.

It is merely provided to help highlight so[illegible] addressed. Further, matters that the acc[illegible] consider include:

- Record the pension's tax [illegible] required for the Transfer [illegible] reversionary pension, rep[illegible] reversionary, and use the[illegible] on that date. Do not wait [illegible] ordinary SMSF reporting [illegible] which the event occurs. S[illegible] balance and commutatior[illegible] requirements.
- For pension structures be[illegible] a lawyer.
- Commutation documents, if needed, should be prepared separately.

Do not wait twelve months to report the death. The ordinary reporting deadline is 28 days after the quarter ends. Some events have earlier deadlines. Your accountant should diary the applicable date.

ATO guidance: transfer balance account reporting.

Build your Pension Kit here:
legalconsolidated.com.au/reversionary-pension/

Trustee Resolution – Commencement of Pension for a member of the Idomatic Super Fund ('Fund')

Held at …… : Date: …… 20 …….

Present: ……

Member: …… ('**Member**')

Pension start date: …….. ('**Pension Start Date**')

Reversionary beneficiary …….. ('**Reversionary Beneficiary**')

The pension amount is AUS$..... to be allocated from the Member's balance

The pension's tax components are ……% tax-free and ……% taxable

The Trustee(s) of the Fund resolve as follows:

1. The Member has requested a pensio[n] from their member balance, with the reversionary nomination recorded below.
2. After speaking with professional help[ers] and auditor the Trustee(s) confirm th[at] superannuation and taxation law for eligibility and pension structure.
3. The type of pension to be commenc[ed]
   - ☐ Account-Based Pension
   - ☐ **Transition to Retirement I[ncome]** **preservation age. The pensi[on]** **Schedule 1 cashing restrictio[n]** **commutation limits. A TRIS i[s]**
4. The pension is to commence on the
5. The pension is to be reversionary, w[ith] reversionary beneficiary in accordan[ce]
6. The Trustee(s) authorise the implem[entation] compliance and accounting actions will be completed by the Fund's administrator or accountant, including preparation of PAYG summaries, notification to the ATO if applicable, and ongoing pension reporting.
7. This resolution is to be retained with the Fund's records.

Turn the proposed pension into a clear record. Identify the type, start date, balance and beneficiary. This example resolution needs your accountant's or adviser's attention before use.

Use the preparation notes on the preceding page.

Explore your Reversionary Pension Kit:
legalconsolidated.com.au/reversionary-pension/

Trustee signature and name: ……..
Signed on the above date.

Notes for Preparing Pension Commutation Documents

Purpose

The Fund's accountant or financial planner must tailor the commutation documents to its circumstances and retain an audit trail. These examples do not replace that work. Obtain legal advice for complex commutations.

Considerations

When drafting commutation documents (e.g., member request, trustee resolution), consider:

- Record the member's request before the payment, specifying full or partial commutation, the amount or method of calculation, the effective date and the purpose. A full or partial commutation of a retirement-phase account-based pension creates a transfer balance debit under section 294-80 of the *Income Tax Assessment Act 1997* (Cth). Ordinary pension payments do not create that debit. Do not retrospectively relabel a pension payment as a commutation.
- State the commutation date and amount. A commutation does not count towards the minimum annual pension payment. Before a full commutation, meet any applicable pro-rata minimum pay
  ensure the pension still satisfies
- State the destination of the comm
  permit a return to accumulation p
  commuted into the beneficiary's
  cashing and rollover rules.
- Confirm compliance with SIS Re
  standards) and Taxation Ruling T
- Report the commutation in the Tr
  SMSF deadline is 28 days after t
  deadlines apply to certain excess
  events. Check the relevant ATO
- Verify tax components (tax-free v
- Require trustee signatures and re

A commutation is not an ordinary pension payment. Record the request, amount, date and destination. A qualifying retirement-phase commutation creates a transfer balance debit; ordinary pension payments do not.

Income Tax Assessment Act 1997 (Cth) s 294-80.

Build your Pension Kit here:
legalconsolidated.com.au/reversionary-pension/

Sample Structure (For Guidance Only)

Commutation documents may include:

1. Member Request: A signed letter from the member requesting commutation, stating the amount, date, and purpose.
2. Trustee Resolution: A resolution confirming the commutation, e.g.:
   - The member requests to commute [full/partial] pension of [amount] on [date].
   - The commuted amount will be paid to the destination specified in the member's request, subject to the applicable payment and rollover rules. Do not transfer a commuted death benefit to accumulation phase.
   - The Fund complies with superannuation law and ATO reporting requirements.
   - Signed by all trustees.

Member Commutation Request
Idomatic Super Fund

Member Full Name: ..... **Date**: ..... 20 .....
To the Trustee(s) of the Fund,
I request to commute my pension as follows:

1. **Pension Details**:
   - Pension Type: ☐ Account-Based Pension ☐ Transition to Retirement Income Stream (TRIS)
   - Pension Start Date: .....
   - Current Pension Balance: AUS$.....
2. **Commutation Details**:
   - Type: ☐ Full Commutation ☐ Partial Commutation
   - Amount (if partial): AUS$.....
   - Commutation Date: .....
   - Purpose (e.g., lump sum withdrawal, Transfer Balance Cap management): .....
3. **Destination of Commuted Funds**:
   - ☐ Paid as a lump sum
   - ☐ Rolled back to accumulation phase in the Fund. Do not select this option for a commuted death benefit pension. A death benefit commutation must be cashed as a lump sum or rolled over under the death benefit cashing rules; it cannot be retained in accumulation.
   - ☐ Rolled over to another co
     benefits remain subject to th
4. **Acknowledgement**: I confirm I have
   regarding the tax and compliance im
   reporting (e.g., Transfer Balance Ac
   the Trustee(s) and tailored to the Fu

Member Signature: .....

Witness Signature: .....

Choose the destination carefully. A death benefit pension cannot return to accumulation. Record whether the request is full or partial and obtain the trustee's decision before treating a payment as a commutation.

Read the cashing restrictions beside the choices on this form.

Explore your Reversionary Pension Kit:
legalconsolidated.com.au/reversionary-pension/

Commutation Confirmation Notice
Idomatic Super Fund

To: ……[Member Full Name]

Date: …… 20 …….

Subject: Confirmation of Pension Commutation
Dear Member,
The Trustee(s) of the Idomatic Super Fund confirm that your pension commutation request has been completed as follows:

1. **Pension Details**:
   - Pension Type (circle one): A
   - Original Pension Start Date:
   - Commuted Amount: AUS$..
2. **Commutation Details**:
   - Commutation type (circle on
   - Commutation Date: ……
   - Destination of funds: …… benefit must not be paid to a death benefit cashing rules.
3. **Compliance**:
   - Tax Components:……
   - The commutation complies and Taxation Ruling TR 201
   - Record the applicable ATO accountant or administrator Report. Retain confirmation

Close the loop. Keep the member request, trustee decision and confirmation together. Give your accountant the effective date and amount so the Fund's records and reporting match the transaction.

This notice records completion; retain the supporting documents.

Build your Pension Kit here:
legalconsolidated.com.au/reversionary-pension/

This notice is for your records. Retain it with the Fund's documentation.

Trustee Signature and Name: ……..