Super Update

Edition 10 | April 2026

Below is a round-up of some superannuation changes and key developments that may be relevant to you, as trustee of your SMSF. It is important that you know what changes are coming, so you can effectively understand how they may affect you and the members of your SMSF.

We intend to regularly provide you with these updates as a way of helping you plan for your retirement and identify any opportunities that can assist you to grow your superannuation savings.

26 March 2026

Queensland Supreme Court: Superannuation as an estate asset

In the case of Lin v Yim [2026] QSC 57, the member had withdrawn almost all of his superannuation, with the resulting lump sums paid into his personal bank account before his death.

The deceased members will provided relevant instructions to the executors *"In the event that any superannuation benefits are paid to my Executor as a result of my death…"*

The plaintiff (claiming to be the deceased member's de facto partner) brought proceedings against the executors of the deceased estate arguing that because the clause in the will did not specifically reference "superannuation death benefits" the reference to "superannuation benefits" should not be interpreted narrowly to only include death benefits.

She contended that the monies withdrawn from superannuation remained "superannuation benefits" within the meaning of the clause and that the executors' fiduciary duties obliged them to deal with the proceeds in good faith.

While the will provided for the distribution of superannuation benefits, the Court held that once those funds were paid out of the SMSF into the deceased's personal account, they lost their character as superannuation benefits and formed part of the estate instead.

As a result, there were no superannuation benefits to which the clause could apply. This case provides a reminder that a will can only deal with estate assets – and superannuation benefits typically do not automatically become estate assets that can be dealt with by a will.

23 March 2026

TBAR Lodgement reminder

The ATO issued a reminder that Transfer Balance Account Reports (TBARs) for the March quarter are due by 28 April 2026.

Importantly, if no TBA event has occurred during the quarter, no TBAR lodgement is required.

18 March 2026

Payday Super – Draft Law Companion Rulings (LCRs)

From 1 July 2026, the new Payday Super regime will be in effect, broadly requiring employers to pay superannuation guarantee (SG) contributions at the same time as they pay salary/wages (Payday Super).

Payday Super replaces the current requirement to pay SG quarterly where employers have had 28 days from the end of each quarter to pay their SG contributions.

With Payday Super set to commence from 1 July 2026, the ATO had previously launched a suite of Payday Super resources – including a series of fact sheets, checklists, videos, and web content.

To further support employers preparing for the commencement of the Payday Super regime from 1 July 2026, the ATO has published 4 draft law companion rulings (LCRs) outlining how the new rules will apply:

- LCR 2026/D1 *Payday Super: qualifying earnings*. This draft Ruling outlines what is included in qualifying earnings – which is used to calculate the minimum super contribution required to avoid the super guarantee charge.
- LCR 2026/D2 *Payday Super: eligible contributions*. This draft Ruling sets out the criteria for contributions to be considered eligible contributions, including the timeframes in which super funds must receive them.
- LCR 2026/D3 *Payday Super: calculation and assessment of the superannuation guarantee charge*. This draft Ruling explains how the new super guarantee charge will be calculated and assessed under the Payday Super framework.
- LCR 2026/D4 *Payday Super: application and transitional provision*s. This draft Ruling details how the new laws will apply from 1 July 2026 and the transitional provisions that apply under the law.

17 March 2026

Division 296: Draft regulations released

The Treasury Laws Amendment (Building a Stronger and Fairer Super System) Bill 2026 and the Superannuation (Building a Stronger and Fairer Super System) Imposition Bill 2026 were passed by both houses of parliament and received Royal Assent on 13 March 2026.

This heralded the introduction of the new Division 296 tax, as well as making amendments relevant to the Low-Income Superannuation Tax Offset (LISTO).

The key elements of this new tax are summarised below:

• The measure will apply from 1 July 2026.
• Individuals with a TSB above $3 million will pay a 15% Division 296 tax on a proportion of their total superannuation earnings
• A new second threshold applies for balances above $10 million. Individuals with a TSB above $10 million will pay an addition 10% Division 296 tax on a proportion of their total superannuation earnings
• Both the $3 million and $10 million thresholds will be indexed
• The Government has removed the taxation of unrealised capital gains. Division 296 tax will only apply to realised earnings, aligning more closely with existing income tax concepts.

Following the passage of this legislation, the long-awaited draft regulations were released on the 17th March, providing further details on how Division 296 will operate in practice.

Key concerns arising from these draft regulations include the proposal to continue to attribute Division 296 tax earnings post-death, potential mismatches between tax outcomes and member entitlements, and inconsistent treatment of negative earnings across interest types.

13 March 2026

ATO Quarterly SMSF statistics: December 2025

The ATO released its Self-managed super fund statistical report for the December 2025 quarter confirming that the past 12 months has seen a continued surge in Australians setting up SMSFs.

In the 12 months to December 2025, 48,464 new funds entered the system – an increase from 37,701 in the prior 12-month period. Meanwhile, exits have dropped sharply – with just 10,239 exits over the same period compared to 15,588 previously.

This drove the total SMSF population from 625,642 (December 2024) to 663,867 (December 2025) – a net increase of 38,225 funds (+6.1%) with total members rising from ~1.15 million to ~1.22 million.

The demographic profile of new SMSF members in the December 2025 quarter continues to paint a strikingly different picture from the existing member base. Among new entrants:

- 39.1% are aged 35-44 and 18.5% are aged 45-49 – overall nearly seven in ten new members are under 50, compared to an estimated ~25% of the existing SMSF population.
- Only 2.5% of new entrants are aged 65+, versus an estimated 38.2% of the overall membership base.

At the same time, the gender profile of SMSF members is relatively balanced, with 54.7% of new members being males. That said, female entrants are slightly more concentrated in the 35-44 age bracket (41.3% vs 37.2% for males).

This continues to signal an ongoing generational shift, with younger Australians increasingly choosing to establish an SMSF over traditional super funds.

12 March 2026

Adelaide University: SMSF Research

New research released by Adelaide University's International Centre for Financial Services (ICFS), shows SMSFs continue to demonstrate strong long-term performance, outperforming APRA-regulated funds over the previous 5-year period.

Over the five years to 30 June 2024, SMSFs achieved an average rate of return 1.1 percent higher than APRA-regulated superannuation funds, highlighting the sector's capacity to deliver consistent long-term growth for members.

This follows similar findings for the five years to 30 June 2023, where SMSFs outperformed by 1.2 percent, reinforcing a pattern of sustained performance.

5 March 2026

ATO Reminder: Small Business Superannuation Clearing House (SBSCH) closure

The ATO has reminded SBSCH users that they will need to download their records before 30 June.

For those still using the ATO's SBSCH to process their super payments, they will need to act now to download their records. As part of the Payday Super reforms, the SBSCH is closing permanently on 1 July 2026.

From 11:59 pm AEST on 30 June 2026, employers won't be able to log in, submit payment instructions or view any records. As such, they will need to download their records now as they may need them in future to respond to audits or employee queries.

26 February 2026

Threshold indexation confirmed: TBC and contribution caps

While it had been widely anticipated, the release of Consumer Price Index (CPI) and Average Weekly Earnings (AWOTE) data from the Australian Bureau of Statistics (ABS) provided confirmation that key superannuation thresholds are set to increase from 1 July 2026.

The headline changes are listed below:

- Transfer Balance Cap (TBC): $2,100,000
- Concessional contribution cap: $32,500
- Non-concessional contribution cap: $130,000

For more details on these changes, please read the SMSF Association's blog.

24 February 2026

Social Security: Deeming rates

The Department of Social Services issued the Social Security (Deeming Threshold Rates) Determination 2026 increasing deeming rates under the Social Security income test from 20 March 2026:

- Below threshold rate: 1.25% (up from 0.75%)
- Above threshold rate: 3.25% (up from 2.75%)

Since 1 July 2025, the deeming thresholds have been as follows:

- $64,200 – single recipient,
- $106,200 – a pensioner couple (combined), and
- $53,100 – each member of a non-pensioner couple.

Note: Thresholds are indexed annually, in line with CPI.

Deeming, under the social security income test, is used to assess the returns on financial investments, assuming a set rate of income, regardless of actual earnings.

21 February 2026

ARTA case: Illegal early access

In Alicer & Ramos v Commissioner of Taxation [2026] ARTA 342, the Administrative Review Tribunal of Australia (ARTA) upheld the ATO's decision to disqualify two SMSF trustees who accessed fund money for personal expenses, notwithstanding that the withdrawals were recorded as loans, charged interest and were ultimately repaid.

Across several years, trustee withdrawals at times represented almost 100% of the SMSF's assets, giving rise to multiple contraventions of the SIS Act, including:

- the prohibition on lending or providing financial assistance to members (s 65),
- the sole purpose test, and
- the in-house asset rules.

The trustees argued that financial hardship, relationship breakdown, COVID-related impacts and subsequent rectification should mitigate the outcome.

The Tribunal rejected those arguments, confirming that repayment does not neutralise a breach, hardship does not justify access to preserved benefits, and repeated or systemic non-compliance supports a finding of future compliance risk. The Tribunal also declined further remission of penalties, noting that financial hardship is not a relevant consideration under the penalty remission framework.

This decision reinforces the ATO's ongoing focus on illegal early access and prohibited member loans. The industry remains on notice that member access to retirement benefits without a valid condition of release is treated as a high-risk compliance red flag, with trustee disqualification a very real outcome where conduct is repeated or sustained.

17 February 2026

SMSF set-up costs

The ATO provided guidance for individuals who pay for the SMSF setup costs personally, in order to assist them with correctly claiming a reimbursement from the fund.

To do this correctly, the ATO states that:

- The SMSF must charge the costs against the individuals' benefits,
- The individual should seek reimbursement as soon as the fund has enough cash, and
- The trustee(s) should ensure that the reimbursement relates only to costs incurred in setting up the fund – not for other services.

When done properly, the ATO will not consider such a reimbursement to be a contribution, a borrowing or the provision of financial assistance to a member.

However, where an individual does not seek reimbursement for setup costs charged to the fund, the ATO has indicated that it will treat the payment of these costs by the individual as a contribution.

Note: The ATO also issued a reminder that SMSF establishment costs are capital expenses and cannot be claimed as a tax deduction. While also reminding fund trustees that they cannot be paid for the performance of any trustee duties, even if they set the fund up themselves.

2 February 2026

ATO PBR: Downsizer contributions

A recent ATO private ruling (1052495497715) confirms that, for inherited property, date of death can be taken as the acquisition date for the purposes of the 10-year ownership requirement under the downsizer contribution rules.

The private ruling states that… *"a right to occupy the land on which the dwelling is situated does convey the required ownership interest to count toward the 10-year ownership requirement. A person with a right to occupy the dwelling for a period will be entitled to take that period into account for the purposes of this requirement.*

If an individual's right to occupy is replaced seamlessly with an ownership interest in the dwelling itself, which is capable of being disposed of in accordance with 292-102(1)(b), they are able to aggregate these periods in respect of satisfying subparagraph 292-102(2)."

This means beneficiaries who have a right to occupy can count the ownership period from the deceased's date of death – even where legal title transfers later or the land is subsequently subdivided.

15 January 2026

ATO: Guidance on education directions

The ATO issued Practice Statement Law Administration: *PS LA 2026/1* outlining what an ATO officer needs to consider when deciding whether to give an SMSF trustee, or director of a corporate trustee, an education direction.

Giving an education direction is typically appropriate in cases where the person's lack of knowledge or understanding of their obligations contributed to the contravention(s).

4 December 2025

Instant asset write-off: Small businesses

Treasury Laws Amendment (Strengthening Financial Systems and Other Measures) Bill 2025 received Royal Assent and is now law.

Relevantly, this extends the $20,000 instant asset write-off limit, available to eligible small businesses, for a further 12 months until 30 June 2026.

Note: The $20,000 limit under the measures applies on a per asset basis, so small businesses can instantly write off multiple assets.

WHAT'S NEXT?

Navigating your way through the evolving superannuation rules can be very complex, especially in the lead up to a member's retirement. If you have any questions, require assistance, or would like to discuss any of the above changes, please feel free to give me a call to arrange a time to discuss.

The contents of this Super Update are taken to be correct at the time of publication on 16 April 2026.

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