
Deemed Segregation Periods

The comments below explain whether you need to enter a deemed segregation period into the Online Request Form, and how to do so.

We need to know about deemed segregation periods because the tax exempt percentage we calculate will apply only to the period(s) during the year when the Fund is **not** deemed to be segregated.

From 2021/22

For 2021/22 and subsequent tax years, you will only need to show a deemed segregation period if:

1. The Fund *does not have* Disregarded Small Fund Assets; and
2. The Fund was *entirely in retirement phase* for part(s) of the year; and
3. The Fund has *not elected to apply the proportionate method* for the whole of the tax year.

You will need to include deemed segregation periods in the Online Request Form only if **all three** of the statements above are true.

2017/18 to 2020/21

For the 2017/18 to 2020/21 tax years, you will need to show a deemed segregation period if:

1. The Fund *does not have* Disregarded Small Fund Assets; and
2. The Fund was *entirely in retirement phase* for part(s) of the year.

You will need to include deemed segregation periods in the Online Request Form only if **both** of the statements above are true.

Up to 2016/17

For the 2016/17 or earlier tax years, generally accepted industry practice at the time was that Funds did not show periods of deemed segregation. If you are requesting an actuarial certificate for the 2016/17 or earlier tax years and you think you may need to include a period of deemed segregation, please email us at enquiries@verusactuaries.com.au, or call us on 1800 978 328.

In most cases you do not need to include any deemed segregation periods.

Entering a Deemed Segregation Period on the Online Request Form

The data you should show in relation to deemed segregation periods is:

Start Date. This is the **date on which** the Fund becomes entirely retirement phase.

End Date. This is the **day before** the date on which the Fund ceases to be entirely in retirement phase.

If there are multiple periods during which the Fund is entirely in retirement phase (and is deemed to be segregated), show them all. Our Online Request Form allows you to add as many deemed segregation periods as you need, two at a time.

The next page provides several examples of the data you should include in relation to deemed segregation periods.

Examples of Deemed Segregation Periods

Here are some examples to illustrate the start and end dates of deemed segregation periods:

- A. On 1 July, a Fund starts a new account based pension with all its accumulation balances; on 11 September the Fund receives a contribution.
Start Date = 1 July (the date on which the Fund becomes entirely retirement phase).
End Date = 10 September (the day before the contribution is received).
- B. On 1 July, a Fund is entirely in retirement phase; on 1 February the Fund receives a contribution.
Start Date = 1 July (because the Fund is entirely retirement phase at the start of the year).
End Date = 31 January (the day before the contribution is received).
- C. On 1 July, a Fund is partly in retirement phase and partly in non-retirement phase; on 2 August the Fund starts a new pension with all its accumulation balances. On 18 December, the Fund receives a roll-over.
Start Date = 2 August (the date on which the Fund becomes entirely retirement phase).
End Date = 17 December (the day before the roll-over is received).
- D. On 1 July, a Fund is entirely in retirement phase; on 17 April the Fund partially commutes a pension balance back to non-retirement phase.
Start Date = 1 July (because the Fund is entirely retirement phase at the start of the year).
End Date = 16 April (the day before the partial pension commutation).
- E. On 1 July, a Fund has one member who is in retirement phase and one member who is in accumulation phase; on 15 May the member in accumulation phase rolls all of their benefit out of the Fund.
Start Date = 15 May (because the Fund is entirely retirement phase from that date).
End Date = 30 June (because the Fund is entirely retirement phase at the end of the year).

Important Note: BGL360 / Class / SuperMate

The data we need to prepare an actuarial certificate is prepopulated into our Online Request Form when you request an actuarial certificate from within the BGL360, Class and SuperMate administration platforms.

While it is possible to edit the data in our Online Request Form, we recommend any edits to the data are done within the administration platform, prior to requesting the actuarial certificate. This will ensure that the data we use to prepare the actuarial certificate is consistent with the records in the administration platforms.

Further Assistance

If you would like any assistance with completing the Online Request Form for a Fund that has periods of deemed segregation, please email us at enquiries@verusactuaries.com.au, or call us on 1800 978 328.

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