
Perpetual Private Super Wrap

Guide to Member Notional Tax Calculation

for the year ended 30 June 2024

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Perpetual 

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Trustee's Explanatory Guide

Guide to the Member Notional Tax Calculation for the year ended 30 June 2024

Introduction

Perpetual Superannuation Limited (Perpetual) is the trustee of Perpetual Super Wrap (the Fund).

This guide explains the principles, assumptions, and components used in calculating tax charges and the tax adjustment credited or charged to member accounts during the 30 June 2024 year.

During the year ended 30 June 2024, amounts were deducted from certain contributions, income and gains received on behalf of members representing their share of the annual tax liability of the Fund. These amounts fund progressive payments made to the Australian Taxation Office (ATO) for the annual tax liability of the Fund.

We have calculated the notional tax liability of each member (member calculation), which in aggregation, and subject to certain modifications, represents the annual tax liability of the Fund.

The member calculation considers franking credits and excess amounts, revenue losses, capital losses and foreign income tax offsets.

The Fund's annual tax liability is calculated once a year after the 30 June financial year end. If the member calculation is less than the tax deducted during the year, we credit a tax refund to the member's Cash Account. If the member calculation is more than the tax deducted during the year, we debit a tax charge against the member's Cash Account.

Members who leave the Fund prior to the year's annual processing date will not receive any of the benefits associated with the member calculation. Current accumulation members will receive the balance of this benefit, with the benefit being allocated on a proportional basis.

General principles

The Fund:

- is a superannuation fund established by way of a trust deed and is a complying superannuation fund for the purpose of the *Superannuation Industry (Supervision) Act 1993 (Cth)*
- is required to lodge a tax return annually, for the year ended 30 June
- has taxable income which is subject to tax at the complying superannuation fund rate of 15%
- did not derive any special income that would be taxed at a higher rate
- has Pension members who have had their assets segregated to meet current pension liabilities. Income derived from the segregated pension assets in the Fund is exempt from tax, but continues to receive the benefit of franking credits.
- Dividends, foreign income etc from listed securities were allocated to members based on their holdings in the security at the entitlement date
- For managed investments including Attribution Managed Investment Trusts (AMITs), income is allocated on a pro rata basis to each member based on their holding in the investment at the entitlement date of the distribution or 30 June, as appropriate.

Tax calculation components

The components of each member calculation is based on information received from product issuers or share registries. It is detailed in the member calculation, available online, as shown on the next page. There are three sections:

Section 1: an Income section that calculates the Taxable Income and Tax Payable

Section 2: a Capital Gains section that provides further details on net capital gains included in the calculation of Net Tax Payable

Section 3: a Tax Position section that adjusts the Net Tax Payable for certain benefits to arrive at the amount charged/credited to a member's account.

The outline commencing on page 3 describes each component and should be read in conjunction with the member calculation.

Each section is a general description of the principles applied. The components referred to are in respect of the year ended 30 June 2024.

Superannuation Tax Calculation

as at 30 June 2024

Account name: JOHN SAMPLE

Account No: 801109999

Section 1 - Income	\$	Section 2 - Capital Gains	\$
Dividends	750.00	Prior Year Cap Losses Carried Forward	-24,014.67
Franking Credits	321.43	Fully Taxable Cap Gains	1,434.72
Interest	8,134.82	Discounted Cap Gains	0.00
Taxable Contributions	2,700.00	Current Year Losses	-601.14
Other Income	474.53		
Foreign Income	0.00	Capital Gains /(Loss) Subtotal	-23,181.09
Foreign Income Tax Offsets	0.00	Applied Capital Gains	15,704.44
Applied Capital Gains	-15,074.44		
Capital Loss Reversal	15,074.44	Excess Capital Loss Carried Forward	-8,106.65
Exempt Pension Income	0.00		
Total Assessable Income	12,380.78		
		Section 3 - Tax Position	
Expenses	(2,733.67)	Net Tax Payable	1,125.64
		Excess Franking Credits Benefit	0.00
Taxable Income	9,647.11	Excess Foreign Income Tax Offsets Benefit	0.00
		Capital Losses Benefit	(2,261.17)
Gross Tax Payable	1,447.07	Revenue Losses Benefit	0.00
Less Franking Credits Used	-321.43	Foreign Losses Benefit	0.00
Less Foreign Income Tax Offsets Used	0.00		
NET TAX PAYABLE	1,125.64	Net Tax Position	(1,135.53)
Excess Franking Credits	0.00	Tax Paid to Date	1,426.68
Excess Foreign Income Tax Offsets	0.00		
		Amount Charged/(Credited) to Account	(2,562.21)
		Surplus Tax Benefit	74.39

For all enquiries regarding this report please call
Sam Sample on 00 0000 0000.

This information was prepared by Perpetual Trustee Company Limited (PTCo) ABN 42 000 001 007, AFSL 236643 and Perpetual Superannuation Limited (PSL) ABN 84 008 416 831, AFSL 225246, RSE L0003315. PTCo is the operator of the Perpetual Private Investment Wrap and PSL is the trustee for the Perpetual Private Super Wrap, ABN 22 897 174 641. The information is believed to be accurate at the time of compilation and is provided by the Perpetual Group in good faith. To the extent permitted by law, no liability is accepted for any loss or damage as a result of any reliance on this information. No company in the Perpetual Group guarantees the performance of any fund or the return of an investor's capital (Perpetual Group means Perpetual Limited ABN 86 000 431 827 and its subsidiaries).

Section 1 – Income

This section calculates the Net Tax Payable

Section 1 - Income		\$
1.1	Dividends	750.00
1.2	Franking Credits	321.43
1.3	Interest	8,134.82
1.4	Taxable Contributions	2,700.00
1.5	Other Income	474.53
1.6	Foreign Income	0.00
1.7	Foreign Income Tax Offsets	0.00
1.8	Applied Capital Gains	-15,074.44
1.9	Capital Loss Reversal	15,074.44
1.10	Exempt Pension Income	0.00
1.11	Total Assessable Income	12,380.78
1.12	Expenses	-2,733.67
1.13	Taxable Income	9,647.11
1.14	Gross Tax Payable	1,447.07
1.15	Less Franking Credits Used	-321.43
1.16	Less Foreign Income Tax Offsets Used	0.00
1.17	NET TAX PAYABLE	1,125.64
1.18	Excess Franking Credits	0.00
1.19	Excess Foreign Income Tax Offsets	0.00

1.1 Dividends

Dividend income was derived through investments in listed securities (recognised on a paid or credited basis).

Any dividend income derived from managed investments including AMITs, has been included in "Other Income", further described in Section 1.5.

Dividends are recognised as income by the Fund on a due and payable basis.

1.2 Franking credits

Franking credits were derived through managed investments including AMITs and listed securities. All franking credits derived during the year are reported here.

Please note, this amount may be reduced by franking credits denied as a result of the '45 day' rule or the 'Dividend washing' rule. Note that the 45 day rule is not applied to franking credits from AMITs since AMIT members are deemed to be a 'qualified person' in respect of the franked distribution component, subject to the Commissioner determining otherwise.

1.3 Interest

This balance relates to interest income attributable to members' investments in term deposits, convertible notes, listed securities and interest received on the Cash Account.

Any interest income derived from managed investments including AMITs, is included in "Other Income", further described in Section 1.5.

The Taxation of Financial Arrangements (TOFA) regime broadly changes the way in which gains and losses from certain financial arrangements are recognised for income tax purposes.

The TOFA rules will be applied to member's accounts where applicable. Any adjustment related to the application of the TOFA regime will be reflected in interest income.

1.4 Taxable contributions

This balance relates to contributions that have been received. Taxable contributions include:

- employer contributions
- concessional member contributions
- specified rollover amounts
- any eligible termination payment amount rolled over to the Fund to the extent that it consists of any untaxed component.

Non-concessional member contributions are non-assessable.

1.5 Other income

Other income was derived from managed investments, including AMITs, listed trusts and listed securities. This balance includes all taxable amounts, excluding amounts of capital gains and foreign income.

Income from managed investments and listed trusts has been recognised when the Fund had a present entitlement to the income. Income from AMITs has been included on an attribution basis.

Other income may also include:

- gains or losses as a result of the disposal of certain listed securities that are treated for tax purposes on revenue account rather than capital account. Gains from the sale of these investments have been included in Other Income and losses have been offset against Other Income
- taxable distributions and dividends from stapled securities.

1.6 Foreign income

Foreign income was derived from managed investments, including AMITs, or listed securities.

The balance shown is net of any foreign income tax offsets relating to the foreign income.

Foreign income from listed securities is recognised as income by the Fund on a due and payable basis.

For Pension members this balance is zero.

1.7 Foreign Income Tax Offsets

Foreign Income Tax Offsets (FITOs) were derived from investments in managed investments including AMITs, or listed securities.

FITOs are recognised on the same basis as the foreign income which the FITO relates to.

For Pension members this balance is zero.

1.8 Applied capital gains

This balance is the net capital gain/(loss) from investments attributable to:

- net capital gains flowing through managed investments including AMITs, and listed trusts.
- capital gains or losses from the sale of investments. The cost base used for determining gains or losses has been adjusted for any tax free, return of capital and tax deferred distributions from managed investments, and any AMIT cost base net amount – excess (decrease) or shortfall (increase). Please note, the First In First Out (FIFO) method will be used on the disposal of asset parcels in the member's account. Under this method, the first parcel purchased will be deemed to be the first parcel sold, for calculating any capital gain or capital loss.
- Tax deferred, AMIT cost base net amounts or returns of capital that exceed the cost base of the asset.

Capital losses have been offset against capital gains as follows:

- capital losses are first offset against direct and indirect fully taxable capital gains and indexed capital gains
- to the extent that losses exceed these gains, the remaining loss is offset against the gross value of discounted capital gains.
- After losses have been applied, the 33⅓% CGT discount is then applied to any eligible remaining capital gains.

If the member has an overall net capital gain, this balance will equal the Applied Capital Gain. If the member's net position is an overall capital loss, this balance will equal the Applied Capital Gain as calculated at 2.6 below.

Refer to Section 2 for a further breakdown of the underlying capital gains and losses that comprise this balance.

For Pension members this balance is zero.

1.9 Capital loss reversal

Capital losses are only able to be offset against capital gains. For members with a net capital loss at 1.8, this balance offsets that loss, ensuring any capital loss at 1.8 is not used to offset other sources of income.

For all other members this balance is zero.

1.10 Exempt pension income

For Pension members no tax charge is attributable to a member's account as income and capital gains earned are exempt from tax in the Fund. Thus, the balance displayed offsets the income earned, ensuring a zero total assessable income.

For all other members this balance is zero.

1.11 Total assessable income

Total Assessable Income is the total of items (1.1) through to (1.10).

1.12 Expenses

This balance may include the following expenses incurred during the year 2024:

- management fees
- adviser fees paid, excluding adviser establishment fees which are non-deductible for tax purposes
- insurance premiums for death and disability and certain income protection insurance
- specific fund manager transaction fees (if any).

For Pension members this balance is zero.

1.13 Taxable income

Taxable Income is the balance derived by subtracting Expenses (1.12) from Total Assessable Income (1.11).

1.14 Gross tax payable

Gross Tax Payable is 15% of Taxable Income (1.13).

1.15 Franking credits used

Franking Credits (1.2) may be applied to reduce the Gross Tax Payable (1.14). Where Gross Tax Payable (1.14) is greater than Franking Credits (1.2), all franking credits are used. Where Franking Credits (1.2) are greater than Gross Tax Payable (1.14), the amount of franking credits used is equal to the Gross Tax Payable and the difference is recorded at Excess Franking Credits (1.18).

1.16 Foreign Income Tax Offsets used

Foreign Income Tax Offsets (1.7) may be used to reduce Gross Tax Payable (1.14). The maximum amount of Foreign Income Tax Offsets (1.7) that may be used to reduce Gross Tax Payable (1.14) is the lesser of the total balance of allowable Foreign Income Tax Offsets (1.7), or 15% of the sum of Foreign Income (1.6) and Foreign Income Tax Offsets (1.7).

For Pension members this balance is zero.

1.17 Net tax payable

Net Tax Payable is the balance derived by subtracting the Franking Credits Used (1.15) and Foreign Income Tax Offsets Used (1.16) from Gross Tax Payable (1.14).

1.18 Excess franking credits

This balance is equal to the Franking Credits (1.2) less the Franking Credits Used (1.15).

1.19 Excess foreign Income Tax Offsets

This balance is equal to the Foreign Income Tax Offsets (1.7) less the Foreign Income Tax Offsets Used (1.16).

For Pension members this balance is zero.

Section 2 – Capital gains

This section provides further details of the Applied Capital Gains (1.8) amount

Section 2 - Capital Gains		\$
2.1	Prior Year Cap Losses Carried Forward	-24,014.67
2.2	Fully Taxable Cap Gains	1,434.72
2.3	Discounted Cap Gains	0.00
2.4	Current Year Losses	-601.14
		<hr/>
2.5	Capital Gains/(Loss) Subtotal	-23,181.09
2.6	Applied Capital Gains	15,704.44
		<hr/>
2.7	Excess Cap Loss Carried Forward	-8,106.65

2.1 Prior year capital loss carried forward

This balance relates to the excess capital loss calculated in prior years that was not able to be utilised by the Fund. This balance is used to offset current year and future capital gains where possible. For all members the capital losses carried forward from 30 June 2023 were nil.

For Pension members this balance is zero.

2.2 Fully taxable capital gains

This balance relates to the total capital gains from:

- net capital gains flowing through managed investments including AMITs, and listed investments
- capital gains from the sale of investment holdings during the year, where the period that the investment was held was less than 12 months.

For Pension members this balance is zero.

2.3 Discounted capital gains

This balance relates to the total discounted capital gains from:

- net capital gains flowing through managed investments including AMITs, and listed trusts where a discount of 33⅓% was applicable.
- capital gains from the sale of investment holdings during the year, where the investment was held for at least 12 months. The cost base and reduced cost base for determining capital gains or losses has been adjusted for tax deferred and return of capital distributions and any AMIT cost base net amount – excess or shortfall.
- discounted capital gains have been grossed up to the 100% amount and then, if appropriate the 33⅓% discount has been applied.

For Pension members this balance is zero.

2.4 Current year capital losses

This balance relates to the total capital loss from the sale of investments by members during the year.

For Pension members this balance is zero.

2.5 Capital gains/loss sub-total

Capital losses are offset against direct and indirect capital gains as follows:

- capital losses are first offset against direct and indirect fully taxable capital gains and indexed capital gains
- to the extent that losses exceed fully taxable and indexed capital gains, the remaining loss is offset against the gross value of discounted capital gains.

If there is a net discount capital gain remaining after losses have been applied, the balance is discounted by 33⅓%.

If there were no losses to offset, then the Capital Gains/(Loss) Sub-Total is the sum of the Fully Taxable Capital Gains (2.2) and Discounted Capital Gains (2.3).

For Pension members this balance is zero.

2.6 Applied capital gains

If the member's Capital Gain/(Loss) Sub-Total (2.5) is a loss, then this balance is equal to the portion of that loss that was able to be utilised by the Fund. Members are compensated at a rate of 15% of losses transferred at Capital Losses Benefit (3.4).

2.7 Excess capital loss carried forward

This balance is any loss made by the member that was not able to be utilised by the Fund at 2.6 above. The amount is carried forward and may be available to be offset against gains derived in future years. For all members the capital losses carried forward from 30 June 2024 were nil.

Section 3 – Tax position

This section adjusts the Net Tax Payable for certain benefits to arrive at the amount credited/(charged) to a member's account

Section 3 - Tax Position		
3.1	Net Tax Payable	1,125.64
3.2	Excess Franking Credits Benefit	0.00
3.3	Excess Foreign Income Tax Offsets Benefit	0.00
3.4	Capital Losses Benefit	(2,261.17)
3.5	Revenue Losses Benefit	0.00
3.6	Foreign Losses Benefit	0.00
3.7	Net Tax Position	(1,135.53)
3.8	Tax Paid to Date	1,426.68
3.9	Amount Charged/(Credited) to Account	(2,562.21)
3.10	Surplus Tax Benefit	74.39

3.1 Net tax payable

This balance is equal to the Net Tax Payable (1.17) amount.

3.2 Excess franking credits benefit

This balance is equal to Excess Franking Credits (1.18) and represents a refund to the member of franking credits that were not able to be used to reduce the member's taxable income.

3.3 Excess foreign Income Tax Offsets benefit

This balance is equal to the Excess Foreign Income Tax Offsets (1.19) and represents a refund to the member of foreign income tax offsets that were not able to be used to reduce the member's taxable income.

For Pension members this balance is zero.

3.4 Capital losses benefit

This balance is equal to 15% of the Capital Loss Reversal (1.9).

For Pension members this balance is zero.

3.5 Revenue losses benefit

Where Taxable Income (1.13) is less than zero (ie a loss situation), the balance is equal to 15% of Taxable Income (1.13). Where Taxable Income (1.13) is greater than zero, the balance is zero.

For Pension members this balance is zero.

3.6 Foreign losses benefit

There was no foreign losses benefit for the year ended 30 June 2024.

3.7 Net tax position

This balance is the member's net tax liability or refund calculated by the sum of the amounts referred to above at 3.1 to 3.6.

3.8 Tax paid to date

This balance represents the aggregate amount of tax deducted from a member's account during the year.

3.9 Amount credited/(charged) to account

This amount is equal to the net balance of tax payable or refund receivable. It is calculated by deducting the Tax Paid to Date (3.8) from the Net tax position (3.7). Where the balance is negative, a refund has been credited to the member's Cash Account. Where the balance is positive, a tax charge has been debited against the member's Cash Account.

3.10 Surplus tax benefit

The surplus tax benefit represents excess Fund tax benefits arising from:

- the value of benefits derived from members during the year who exited the Fund prior to the date the tax calculation was finalised, such as excess franking credits, foreign income tax offsets, revenue losses and capital loss reversal.
- a net overall gain or loss from the netting of capital losses against fully taxable gains within the Fund.

The surplus tax benefit has been allocated to Super members with active accounts, based on the proportional absolute value of the member's Taxable Income (1.13), and has been credited to the member's Cash Account.

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