



# SMSF Trustee Guide

## Navigating Division 296

### Valuation Requirements for Trustees

From 1 July 2025, Division 296 introduces a new 15% tax on the portion of superannuation earnings attributable to balances above \$3 million. While the policy affects a limited number of SMSF members initially, more will be captured over time due to no indexation of the threshold.

For trustees, the valuation of fund assets is critical in determining earnings—and therefore the tax—under the new rules.

#### Understanding How Division 296 Works

- The ATO calculates “earnings” based on the year-on-year change in Total Superannuation Balance (TSB)
- If your TSB exceeds \$3 million at 30 June, a portion of your fund’s earnings will be taxed at an additional 15%
- This tax is assessed to the individual, not the fund, but trustees play a key role in reporting the correct figures

## **ATO Valuation Requirements**

### **Market Value Standard**

- All assets must be valued at market value as at 30 June each year

### **Evidence and Documentation**

- Trustees must retain written evidence of how values were determined
- This includes comparable sales, income data, and any professional valuation reports

### **Use of Independent Valuers**

- The ATO expects use of qualified, independent valuers for:
  - Real property
  - High-value or complex assets
- A self-assessed valuation may not be acceptable if there is potential bias or material impact

### **Your Trustee Responsibilities**

- Ensure all asset values reflect market value
- Maintain records of valuation evidence and methodologies
- Commission professional valuations where appropriate
- Apply consistent valuation methods each year
- Work closely with your adviser and accountant to determine your Division 296 exposure



## What You Can Do Now

- Review your current asset holdings
- Create a valuation policy for your fund
- Schedule valuations in advance of 30 June each year
- Engage a professional valuer where complexity or asset value justifies it

## Simplx Group can help.

We deliver independent, defensible valuations tailored for SMSFs with property and non-listed asset holdings—ensuring you're audit-ready and Division 296 compliant.

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