Client Factsheet

Division 296 – The $3 Million Super Tax

What You Need to Know About Valuation Requirements

From 1 July 2025, the Australian Government is introducing Division 296, an additional 15% tax on earnings from superannuation balances exceeding $3 million. This policy affects high-balance super members, especially those with self-managed super funds (SMSFs) and complex or unlisted investments.

Key Facts

- Applies from: 1 July 2025
- Tax Rate: 15% (on earnings proportionally attributable to TSB > $3M)
- Threshold: $3 million (not indexed)
- Who Pays: Individual members, not the fund
- Payment Method: Personally or via release from super

Why Valuation is Important

Earnings for Division 296 are calculated based on the change in your Total Superannuation Balance (TSB) from year to year.

If you hold assets such as:

- Direct property
- Unlisted companies or trusts
- Infrastructure or private equity

Then accurate valuations are critical to:

- Avoid overpaying the tax
- Prevent ATO scrutiny or penalties
- Ensure defensible and consistent reporting

What the ATO Requires

- Valuations must reflect market value as at 30 June each year
- Must be objective, supportable, and well documented
- High-value or complex assets should be valued by independent professionals

What You Should Do

- Review your super assets now
- Identify those needing independent valuations
- Document all valuation methodologies and assumptions
- Engage with your accountant, adviser or SMSF administrator

Need assistance with property or complex asset valuations?

Simplx Group provides reliable, ATO-compliant valuations for SMSFs.

Contact us today to prepare for Division 296.

contact@simplxgroup.com.au | 1300 702 290 | www.simplxgroup.com.au