

**Super Cover. Great Price.**

## **MEDIA RELEASE**

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### **Excess Contribution Tax – insurance to challenge the ATO**

Excess contribution tax is an issue that won't go away, and far from diminishing, as the Government might have hoped, it's getting worse year on year. Nevertheless, given that there are set rules, identifiable breaches and clear penalties, what possible role could insurance play? This is the question that Self Super Insurance now addresses.

Self Super Insurance is an innovative insurance solution for Trustees and Self Managed Super Funds that provides insurance for Audit, investigation & prosecution, trustee disputes, and loss of documents. Now there is cover for certain excess contribution situations.

Mr John Kelly, Managing Director of Self Super Insurance comments "We have always provided cover to a trustee (or director of corporate trustee) who is sued for an error in relation to excess contributions. For example, consider where the trustee owed a duty to the member to keep them apprised of their contribution level, so as to potentially avoid exceeding their contributions and incurring a penalty. If through the negligence/breach of duty of the Trustee, a member exceeds contributions and incurs a tax penalty, they (the member) can seek to recover this tax penalty as damages against the Trustee. Our policy covers the Trustee in this situation".

Now Self Super Insurance has extended the policy to provide a new level of cover. If a member receives an excess contribution tax assessment notice, they effectively have 4 options: provide updated information; pay the tax penalty; apply for special circumstance; or object to the assessment on the basis that the ATO had applied the law incorrectly. Mr Kelly said "We considered the options available to a member and realised we could assist members of SMSF's in situations where the ATO has applied the law incorrectly".

As part of the standard policy coverage, Self Super Insurance provides \$25,000 towards the legal costs of a member who successfully challenges the assessment notice on the basis that the ATO has applied the law incorrectly.

"There will be occasions that someone will wish to legitimately challenge the ATO regarding an excess contribution tax assessment notice, but wont because the costs of doing this potentially outweigh the benefit. Our solution gives these people an option" says Mr Kelly.

"We are continually looking at ways of being a total insurance solution for Trustees and SMSF's, and designing a solution for excess contributions matters is part of our overall philosophy: 'Super Cover. Great Price'" say's Mr Kelly.

Self Super Insurance can be purchased on-line at [www.selfsuperinsurance.com.au](http://www.selfsuperinsurance.com.au)