

Unclaimed Money Bulletin

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This bulletin covers the responsibilities of business
and trustees in respect of unclaimed money.

The State Revenue Office (SRO) administers the *Unclaimed Money Act 2008* ('the Act'), which replaces the *Unclaimed Moneys Act 1962* from 1 January 2009. The Act provides for the collection and safekeeping of unclaimed money as well as the collection, registration and publication of information for identifying and locating the rightful owners of unclaimed money. For further information on the changes that will occur in the administration of unclaimed money from 1 January 2009, please refer to General Information Bulletin GEN 2/08 '*Changes to Unclaimed Money – August 2008*'.

What is unclaimed money?

Unclaimed money is a sum of money legally payable to an owner which has remained unpaid for at least 12 months. Amounts of \$20 or less are excluded from the definition of unclaimed money, and can be retained by the business.

Examples of unclaimed money are share dividends, salaries and wages, rents and bonds, debentures and interest, unrepresented cheques and trust money.

An amount is not unclaimed money if a business knows or has reason to believe that the owner wishes for the business to continue holding that amount. This would include amounts held on trust.

Who has responsibilities in relation to unclaimed money?

Business has responsibilities in relation to the administration of unclaimed money. A business is defined to mean any person carrying on business in Victoria and includes:

- a corporation within the meaning of the *Corporations Act 2001* (Cth)
- an incorporated body or association
- a sole trader

- a partnership, including a limited partnership
- a trustee company within the meaning of the *Trustee Companies Act 1984*
- a law practice within the meaning of the *Legal Profession Act 2004*, and
- local councils, public hospitals, statutory authorities, water boards and co-operatives.

A person can carry on business in Victoria even if the business entity is registered in another jurisdiction or the central management and control of the business occurs outside Victoria.

As a business, what are my responsibilities in relation to unclaimed money?

Business has three responsibilities in relation to unclaimed money.

- i. Establish a register of unclaimed money by 31 March each year at its principal office or place of business in Victoria.
- ii. Enter details of all unclaimed money held on 1 March each year into the unclaimed money register, and
- iii. On or before 31 May each year:
 - a) pay the balance of unclaimed money that was held on 1 March of that year to the Registrar of Unclaimed Money (the Registrar) – currently the Commissioner of State Revenue, and
 - b) lodge a return which includes a lodgement data spreadsheet and a Statement of Compliance at the time of payment.

Only the balance of unclaimed money held on 1 March of that year, less any reasonable expenses (i.e. bank fees, stationery and postage), is payable to the Registrar.



www.sro.vic.gov.au

Example - Company A and Veronica Brown

Company A is a publicly listed company carrying on a business in Victoria. Company A issued a dividend to its shareholders on 1 January 2009, but has not been able to credit the dividend to one of its shareholders, Veronica Brown. It seems Veronica has moved overseas without notifying Company A of her new address, and has not nominated a bank account for the payment of the dividend. As at 1 March 2010, it has been over 12 months since the dividend first became legally payable to Veronica, and her location is still unknown. Therefore, Company A is required to enter the details of the unpaid dividend in its unclaimed money register by 31 March 2010. Company A will then need to pay the unclaimed dividend to the SRO, and lodge a return by 31 May 2010.

What information must be kept in the business register?

For each individual amount, the business register must include:

- the full name and last known address of the owner of the unclaimed money
- date of birth of the owner (if known/applicable)
- ABN or ACN (if the owner of the unclaimed money is a company)
- a business reference for the owner of the unclaimed money
- a description of the unclaimed money
- the date the unclaimed money first became legally payable, and
- the gross amount of the unclaimed money.

Example - Company A and Veronica Brown

Register of unclaimed money held by Company A

Name of Owner & Address	Date of Birth	ABN/ACN	Bus. Ref.	Description	Date payable	Amount
V. Brown 2 Brown St Melb 3000	15/8/82	-	Div 33344	Dividend on 1000 shares in Company A	1/1/09	\$500

What is a lodgement data spreadsheet?

The SRO administers a register of unclaimed money containing separate records for each individual amount lodged. This information is important, because it helps the SRO identify and locate the owners of unclaimed money.

A completed lodgement data spreadsheet must be submitted to the Registrar at the time of payment. The spreadsheet must include the details that have been recorded in the unclaimed money register of the business, as well as the details of the reasonable expenses incurred by a business in relation to each sum of unclaimed money. A lodgement data spreadsheet template can be downloaded from www.sro.vic.gov.au

What is a Statement of Compliance?

A Statement of Compliance discloses details in relation to unclaimed money held by a business including:

- the total unclaimed moneys held on 1 March of each year
- the total amount paid to owners since 1 March of that year (net of any deductions)
- any reasonable expenses, and

- the net amount due to be paid to the Registrar.

The Statement of Compliance (SRO Unclaimed Money Form 1) can be downloaded from www.sro.vic.gov.au and must be submitted to the Registrar with the lodgement data spreadsheet at the time of payment.

Paying unclaimed money to the Registrar

A cheque made payable to the 'Registrar of Unclaimed Money' for the net amount (gross amount less any reasonable expenses) must be forwarded to the SRO by 31 May of each year.

Unclaimed trust property

Special rules exist for a trustee holding any unclaimed property. A trustee includes an executor, administrator or a trustee company within the meaning of the *Trustee Companies Act 1984*.

If trust property remains unclaimed six years after an entitlement to the property has arisen, the trustee must convert the property into money, and pay the money to the Registrar together with all the relevant details.

Penalty and interest

Both interest and penalty may be assessed if a business or trustee fails to pay an amount of unclaimed money by 31 May of each year.

If a business or trustee wishes to pay unclaimed money to the SRO after that date, they will need to obtain written approval from the SRO to avoid the application of penalty and interest on the unpaid amount.

Compliance

The SRO conducts an investigation program to ensure business and trustees are complying with their responsibilities in relation to unclaimed money.

The Act contains investigative powers which allow an authorised officer, with the consent of the occupier, to enter premises to search, inspect and copy records and documents. A person may also be required, by written notice, to provide information either orally or in writing to produce records or other items, and attend in person and give evidence.

There are penalties for a failure to comply with the requirements of the Act.

Objection, review and appeal

If a business or trustee is dissatisfied with an assessment, or certain other decisions, they may object within 60 days of service of the assessment or decision. The objection must be in writing, stating fully and in detail the grounds of the objection.

Similarly, if a business or trustee is dissatisfied with a decision on their objection, within 60 days of that decision they may request in writing that the matter be referred to the Victorian Civil and Administrative Tribunal or the Supreme Court for review or appeal.

Unclaimed superannuation contributions

There is no longer a requirement for Victorian superannuation providers to pay unclaimed superannuation contributions to the SRO. The Australian Taxation Office (ATO) now administers these amounts.

The SRO will continue to safeguard unclaimed superannuation contributions that were received prior to 1 January 2008. Owners may search for these amounts online at www.sro.vic.gov.au

Owners of unclaimed money

All amounts of unclaimed money from 1997 can be searched for online at www.sro.vic.gov.au. The website contains details on how to make a claim for the return of unclaimed money lodged with the SRO.

Types of unclaimed money the SRO does not administer:

- Unclaimed client accounts from banking institutions
- Unclaimed life insurance policies that have matured, and
- Unclaimed amounts from share acquisitions or deregistered companies.

The Australian Securities and Investment Commission (ASIC) administer these types of Unclaimed Moneys. For more details, please visit www.fido.asic.gov.au/fido/fido.nsf

Further information

For further information, please contact the SRO:

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