



## Australian Government

### The Treasury

## FAIRER EXCESS NON CONCESSIONAL CONTRIBUTIONS TAX REGULATIONS

### SUMMARY OF CONSULTATION PROCESS

The Government announced on 13 May 2014 that it would ensure inadvertent breaches of the non-concessional contributions cap did not incur a disproportionate penalty and make the treatment of excess concessional and non-concessional contributions broadly consistent. This measure was given effect by the *Tax and Superannuation Laws Amendment (2014 Measures No. 7) Act 2015*, which received Royal Assent on 19 March 2015.

The measure provides individuals with the option of withdrawing superannuation contributions in excess of the non-concessional contributions cap, made from 1 July 2013, and an earnings amount associated with the withdrawn amount. The associated earnings will then be taxed at the individual's marginal tax rate.

The Tax and Superannuation Laws Amendment (Release Conditions for Non-concessional Contributions) Regulation 2015 amends existing regulations to:

- enable amounts to be paid from an individual's superannuation or income stream for the purposes of this measure;
- extend the amendment period for assessments of income tax for individuals who make an election in respect of excess non-concessional contributions; and,
- make some minor technical and typographical corrections for errors in relation to the commutation of income streams.

#### **Consultation process**

Public consultation on a draft regulation to amend the release authority provisions, correct minor technical and typographical errors and extend the period of amendment for income tax assessments was undertaken between 18 February and 18 March 2015.

Four submissions were received.

The submissions broadly supported the draft regulation.

#### **Summary of key issues**

Two of the submissions raised concerns about the compliance cost of a technical correction that would have removed a condition of release for temporary residents moving superannuation to New Zealand. Those submissions also pointed out that there is little to no risk that the condition of release can be abused.



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To address these concerns the final Regulation does not include that correction.

#### **Feedback**

Feedback on the consultation process for this measure can be forwarded to [consultation@treasury.gov.au](mailto:consultation@treasury.gov.au). Alternatively, you can contact Eric Armstrong on 02 6263 2994.

Thank you to all participants in the consultation process.