

EXPOSURE DRAFT

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Inserts for
**Treasury Laws Amendment (2017
Measures No. 2) Bill 2017:
superannuation reform package
amending provisions**

Commencement information		
Column 1	Column 2	Column 3
Provisions	Commencement	Date/Details
1. Sections 1 to 3 and anything in this Act not elsewhere covered by this table	The day this Act receives the Royal Assent.	
2. Schedule 1, items 1 to 13	The first 1 January, 1 April, 1 July or 1 October to occur after the day this Act receives the Royal Assent.	
3. Schedule 1, item 14	The day this Act receives the Royal Assent.	
4. Schedule 1, item 15	The later of: (a) the start of the day this Act receives the Royal Assent; and (b) immediately after the commencement of the <i>Superannuation (Objective) Act 2017</i> . However, the provisions do not commence at all if the event mentioned in paragraph (b) does not occur.	
5. Schedule 1, items 16 to 19	The day this Act receives the Royal Assent.	

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Schedule 1—Amendments

Income Tax Assessment Act 1997

1 Section 291-1

Before “exceeds”, insert “equals or”.

2 Subsection 294-25(1) (at the end of the table)

Add:

- | | | | | |
|---|-----|---|--|--|
| 4 | a * | transfer balance credit arises under regulations made for the purposes of this item | the amount of the credit worked out in accordance with the regulations | at the time specified in the regulations |
|---|-----|---|--|--|

3 At the end of section 294-25

Add:

Regulations may provide for exceptions

- (3) The regulations may provide that an item of the table in subsection (1) does not apply to a class of *superannuation income streams specified in the regulations.

4 Section 294-50

Repeal the section, substitute:

294-50 Assumptions about income streams

- (1) Subsections (2) and (3) apply for the purposes of working out the following matters at a time:

- (a) whether you have a *transfer balance account;
- (b) the *transfer balance in your transfer balance account.

- (2) In working out whether an income stream is a *superannuation income stream* at a time:

- (a) have regard only to facts and circumstances that exist at that time; and
- (b) assume a requirement will be met, to the extent (if any) that:

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- 1 (i) meeting the requirement is a condition for the income
2 stream to be a superannuation income stream at that
3 time; and
4 (ii) it is not possible to determine, having regard only to
5 facts and circumstances that exist at that time, whether
6 or not the requirement has been met.
- 7 (3) In working out whether a *superannuation income stream is in the
8 *retirement phase* at a time, disregard the operation of
9 subsection 307-80(4), if the time is before the end of the 60-day
10 period mentioned in paragraph (c) of that subsection.

11 5 Subsection 294-80(1) (table item 6)

12 Repeal the item, substitute:

- 6 an income stream of the * value of the at the stop time
which you were a *superannuation interest
*retirement phase that supported the
recipient stops being a superannuation income
*superannuation income stream just before the
stream that is in the stop time
*retirement phase at a
time (the *stop time*), but
items 1 and 5 do not
apply

13 6 Subsection 294-80(1) (at the end of the table)

14 Add:

- 8 a *transfer balance debit the amount of the debit at the time specified in
arises under regulations worked out in the regulations
made for the purposes accordance with the
of this item regulations

15 7 At the end of section 294-80

16 Add:

17 *Regulations may provide for exceptions*

- 18 (3) The regulations may provide that an item of the table in
19 subsection (1) does not apply to a class of *superannuation income
20 streams specified in the regulations.

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8 At the end of section 307-70

Add:

Note: For the purposes of the transfer balance cap, the meaning of *superannuation income stream* is affected by subsection 294-50(2).

9 Subsection 307-80(3)

Repeal the subsection, substitute:

(3) However, a *superannuation income stream is not in the *retirement phase* if:

(a) the superannuation income stream is any of the following:

(i) a transition to retirement income stream (within the meaning of Part 6 of the *Superannuation Industry (Supervision) Regulations 1994*);

(ii) a non-commutable allocated annuity (within the meaning of those regulations);

(iii) a non-commutable allocated pension (within the meaning of those regulations);

(iv) a transition to retirement pension (within the meaning of Part 4 of the *Retirement Savings Accounts Regulations 1997*);

(v) a non-commutable allocated pension (within the meaning of those regulations); and

(b) the person to whom a *superannuation income stream benefit is payable from the superannuation income stream has not satisfied a condition of release specified in paragraph (2)(c).

10 At the end of section 307-80

Add:

Note: The operation of this subsection in relation to the part of the income year before the end of the 60-day period is modified for the purposes of the transfer balance cap: see section 294-50.

11 Subsection 995-1(1)

Insert:

basic concessional contributions cap means the concessional contributions cap under subsection 291-20(2), disregarding any increase under subsection 291-20(3).

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Income Tax (Transitional Provisions) Act 1997

12 Subsections 291-170(2) and (4)

Omit “concessional contributions cap” (wherever occurring), substitute “basic concessional contributions cap”.

13 Paragraph 294-110(1)(b)

Repeal the paragraph, substitute:

(b) either:

(i) at a time (the *cessation time*) in the pre-commencement period, the asset ceases to be a segregated current pension asset of the fund; or

(ii) at the start of 1 July 2017 (also the *cessation time*), the asset ceases to be a segregated current pension asset of the fund because it supports a superannuation income stream covered by subsection 307-80(3) of the *Income Tax Assessment Act 1997*; and

Legislation Act 2003

14 Paragraph 15J(2)(fa)

Repeal the paragraph.

15 After paragraph 15J(2)(f)

Insert:

(fa) if the instrument is a regulation relating to superannuation (other than a regulation to which section 7 of the *Superannuation (Objective) Act 2017* does not apply)— contain a statement of compatibility prepared under subsection 7(1) of that Act; and

Superannuation Guarantee (Administration) Act 1992

16 Subsection 15(5) (definition of *concessional contributions cap*)

Omit “the concessional”, substitute “the basic concessional”.

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1 *Treasury Laws Amendment (Fair and Sustainable*
2 *Superannuation) Act 2016*

3 **17 Subitem 36(1) of Schedule 1**

4 After “items 4,”, insert “5, 6”.

5 **18 After subitem 36(1) of Schedule 1**

6 Insert:

7 (1A) The amendments made by items 5 and 6 apply on and after the day on
8 which the Bill that became the *Treasury Laws Amendment (2017*
9 *Measures No. 2) Act 2017* was introduced into the House of
10 Representatives.

11 **19 Item 28 of Schedule 8**

12 Repeal the item, substitute:

13 **28 Application of amendments**

14 (1) The amendments made by this Schedule apply in relation to the
15 2017-18 income year and later income years.

16 (2) The amendments made by items 19, 26 and 27 of this Schedule also
17 apply during the period:

18 (a) starting on the start of the day on which the Bill that became
19 the *Treasury Laws Amendment (2017 Measures No. 2) Act*
20 *2017* was introduced into the House of Representatives; and

21 (b) ending just before 1 July 2017.