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# ***Glossary***

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The following abbreviations and acronyms are used throughout this explanatory memorandum.

<i>Abbreviation</i>	<i>Definition</i>
ATO	Australian Taxation Office
RSA	Retirement Savings Account
TAA	<i>Taxation Administration Act 1953</i>
TFN	Tax File Number

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# ***General outline and financial impact***

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## **Disclosure of superannuation information**

Schedule X to this bill will permit the ATO to disclose details of an individual's superannuation interests and superannuation benefits to a regulated superannuation fund, or public sector superannuation scheme, an approved deposit fund, RSA provider or their administrators (the bodies).

This will enable the ATO to provide information to the bodies particularly through enhanced services that will allow the bodies to access information about a member's superannuation interests, including amounts held by the ATO. This information will enable funds to assist their members to find and consolidate their superannuation interests.

*Date of effect:* This measure will commence on Royal Assent.

*Proposal announced:* This measure was announced on 21 September 2011 as part of the Government's Stronger Super package of reforms.

*Financial impact:* None.

*Compliance cost impact:* Low. Regulated superannuation funds, or public sector superannuation schemes, approved deposit funds, RSA providers or their administrators will be required to enter into new SuperMatch agreements with the ATO and to make system changes to enable them to send requests and receive information.

## **Summary of regulation impact statement**

*Impact:* This Schedule provides the ATO with the ability to disclose details of individual's superannuation interests and superannuation benefits to the bodies.

The regulation impact statement (RIS) for Stronger Super implementation can be found at <http://ris.finance.gov.au>. The relevant section of the RIS covered in this Bill is section 3 of the SuperStream Appendix.

A RIS exemption was granted for the remainder of the Stronger Super reforms, which will be subject to a post-implementation review.

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## **Chapter 1**

# **Statement of Compatibility with Human Rights**

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**Prepared in accordance with Part 3 of the *Human Rights (Parliamentary Scrutiny) Act 2011***

***Schedule X to the Superannuation Legislation Amendment (Stronger Super and Other Measures) Bill***

1.1 This Schedule is compatible with the human rights and freedoms recognised or declared in the international instruments listed in section 3 of the *Human Rights (Parliamentary Scrutiny) Act 2011*.

### **Overview**

1.2 Schedule X to the Superannuation Legislation Amendment (Stronger Super and Other Measures) Bill inserts a further exception in Division 355 of Schedule 1 to the TAA.

1.3 This will allow the ATO to disclose details of an individual's superannuation benefits, superannuation interests and other related information to superannuation entities, exempt public sector superannuation schemes, retirement savings account providers and their administrators.

### **Human rights implications**

1.4 Schedule x does not engage any of the applicable rights or freedoms.

**Conclusion**

1.5 This legislation is compatible with human rights as it does not raise any human rights issues.

**Minister for Financial Services and Superannuation and  
Employment and Workplace Relations – the Hon. Bill Shorten**

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## **Chapter X**

# **Disclosure of superannuation information**

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### **Outline of chapter**

1.1 Schedule X to this Bill includes a further exception to the secrecy provisions in Division 355 of Schedule 1 to the *Taxation Administration Act 1953* TAA. This exception will allow the ATO to disclose superannuation information to a regulated superannuation fund, or public sector superannuation scheme, an approved deposit fund, RSA provider or their administrators for certain purposes.

1.2 This measure enables the ATO to provide the bodies with greater access to information that it holds on members' superannuation interests. This will allow funds to assist their members to find and consolidate their multiple and lost superannuation interests.

### **Context of amendments**

1.3 In order to maintain privacy and confidentiality, the secrecy provisions in Australia's tax legislation impose strict obligations on taxation officers and others who receive taxpayer information not to disclose this information.

1.4 Superannuation funds can currently access information from the lost member's register, Superannuation Holding Accounts Special Accounts and unclaimed superannuation guarantee amounts through the SuperMatch service. This information may be disclosed because of specific provisions within the relevant Acts that permit information to be provided to the bodies.

1.5 Funds using the SuperMatch service currently enter into an agreement with the ATO setting out the terms and conditions of their use of the service. Only regulated superannuation funds, or public sector superannuation schemes, approved deposit funds, RSA providers or their administrators with an agreement with the ATO can use SuperMatch.

1.6 Schedule X is part of a broader package of superannuation measures aimed at making it easier for superannuation funds and their members to locate and consolidate multiple and lost superannuation interests.

1.7 The ATO currently provides individuals with access to information on lost superannuation accounts, unclaimed money, superannuation guarantee amounts, and Superannuation Holding Accounts Special Accounts belonging to them that the ATO is aware of. This information is provided through the ATO's SuperSeeker service.

1.8 In addition, to their lost accounts and superannuation monies held by the ATO, individuals will be able to view their other superannuation accounts which are reported to the ATO on member contribution statements, through an enhanced ATO service.

1.9 Similarly, funds will not be limited to accessing information on lost accounts and amounts held by the ATO. Funds that have signed an agreement with the ATO will be able to use SuperMatch to obtain information about all their members' superannuation interests that are known to the ATO.

1.10 In addition the ATO intends to reduce further the number of lost and multiple accounts by pro-actively providing information to funds about their members' superannuation interests. This includes information to support auto-consolidation of low balance accounts.

1.11 To allow this the secrecy laws also need to be amended to allow the Commissioner to disclose information such as:

- information to enable a fund to fulfil their obligation to auto-consolidate accounts;
- information regarding other ATO held monies, including but not limited to Superannuation Holding Account Special Account monies, Superannuation Guarantee amounts, Co-contributions and proposed Low Income Superannuation Contributions; and
- other information that would assist in reuniting individuals with their superannuation interests or for consolidating their superannuation interests, including but not limited to the provision of individuals' addresses.

## **Summary of new law**

1.12 Schedule X to this Bill enables the ATO to disclose information about an individual's superannuation interests to the bodies. This is achieved by a new exception to the secrecy provisions.

1.13 Taxation officers are permitted to disclose information to the bodies where it is for the purpose of assisting a member to find all their superannuation interests so they can consider how they want to manage their superannuation interests. This includes whether they wish to:

- create a new superannuation interest with a superannuation provider and consolidate any or all of their existing superannuation interests into that new interest;
- consolidate existing interests; or
- maintain more than one superannuation interest with one or more RSA providers.

### Comparison of key features of new law and current law

<i>New law</i>	<i>Current law</i>
The ATO is permitted to disclose all types of member information in relation to individuals to superannuation entities and their administrators for certain purposes.	Information about a limited range of member interests can be disclosed to superannuation providers because of specific provisions that provide for these disclosures, including for example, through the lost members' register. Information about other types of member interests cannot be disclosed to funds.
There is no change. The ATO can disclose any information they hold to the person that the information is about.	Individuals can access information about their own interests from the ATO by using the SuperSeeker service provided by the ATO, as well as through other channels available through the ATO.

### Detailed explanation of new law

1.14 A new exception to the secrecy provisions in subsection 355-65(3) of Schedule 1 to the TAA permits taxation officers\* to disclose information held by the ATO about a member's superannuation interests to a regulated superannuation fund, or public sector superannuation scheme, an approved deposit fund, RSA provider or their administrators.

1.15 The record or disclosure can be made for the purpose of funds assisting a member to find their superannuation interests, including any amounts held by the ATO, so they can decided how they wish to manage their superannuation interests. This includes whether they wish to:

- create a new superannuation interest with a superannuation entity and consolidate any or all of their existing superannuation interests into that new interest;
- consolidate existing interests; or
- maintain more than one superannuation interest with one or more RSA providers.

1.16 Disclosure of information may occur under the exception even where consolidation of interests is not available to the member, for example, because the member has only one superannuation interest in their current or any fund.

1.17 A member can use the information disclosed to decide whether to:

- consolidate any or all of their interests;
- transfer any of those interests;
- cash any of those interests; or
- in any other way manage their superannuation interests.

1.18 Information can also be disclosed to a regulated superannuation fund, or public sector superannuation scheme, an approved deposit fund, RSA provider or their administrators where the information relates to an individual who has applied to become a member of that superannuation entity.

### **Example 1.1**

XYZ Fund requests information from the ATO in relation to Stephen, a member of their superannuation fund, in order to assist Stephen in consolidating superannuation interests from other funds with his current interest in XYZ Fund.

The secrecy provisions in Division 355 prohibit the ATO from releasing this data to XYZ Fund. However, the exception in section 355-65(3) allows the ATO to release this information to XYZ fund in order to assist the fund to help Stephen manage his superannuation interests.



1.19 The record or disclosure will still be for such a purpose even if after the disclosure of the information, a member decides not to do any of those things with the information disclosed.

**Example 1.2**

ABC Fund requests data from the ATO in relation to Sarah, a member of their superannuation fund, as Sarah advised ABC Fund that she wished to consolidate her superannuation interests.

The ATO provides this information to ABC Fund. Later Sarah decides that she does not want to consolidate her superannuation interests.

The disclosure of information to ABC Fund was still authorised under the exception as it was provided to ABC Fund with the possibility of Sarah consolidating her superannuation interests.

**Application provision**

1.20 The legislation will commence on Royal Assent.