

# EXPOSURE DRAFT

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Inserts for

## Treasury Laws Amendment Instrument 2024: Better Targeted Superannuation Concessions

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### Commencement information

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Column 1	Column 2	Column 3
Provisions	Commencement	Date/Details
1. Schedule 1	The later of: (a) the day after this instrument is registered; and (b) the day Schedule 1 to the <i>Treasury Laws Amendment (Better Targeted Superannuation Concessions and Other Measures) Act 2023</i> commences.	
2. Schedule 2	The later of: (a) immediately after the commencement of the provisions covered by table item 5; and (b) the time Schedule 2 to the <i>Treasury Laws Amendment (Better Targeted Superannuation Concessions and Other Measures) Act 2023</i> commences.	
3. Schedule 3, Part 1	Immediately after the commencement of the provisions covered by table item 1.	
4. Schedule 3, Part 2	Immediately after the commencement of the provisions covered by table item 2.	
5. Schedule 4	The day after this instrument is registered.	

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## Schedule 1—Better targeted superannuation concessions

### *Income Tax Assessment (1997 Act) Regulations 2021*

#### 1 After Division 295

Insert:

#### **Division 296—Better targeted superannuation concessions**

#### **Subdivision 296-B—Better targeted superannuation concessions**

#### **296-55.01 Your adjusted total superannuation balance—your contributions total includes defined benefit contributions**

- (1) For the purposes of paragraph 296-55(1)(j) of the Act, the sum of the amounts of your defined benefit contributions:
  - (a) for a financial year that corresponds to an income year of yours; and
  - (b) in respect of each defined benefit interest (if any) you have in a superannuation fund during the income year;is prescribed in relation to the income year.

Note: This section does not apply in relation to a defined benefit interest in a foreign superannuation fund: see subsection 296-55(9) of the Act.

- (2) In working out the amount of your defined benefit contributions for a financial year for the purposes of subsection (1) of this section:
  - (a) if Subdivision 293-E of the Act applies to you for the income year corresponding to the financial year—disregard subsection 293-150(3) of the Act; and
  - (b) if Subdivision 293-F of the Act applies to you—disregard subsection 293-195(2) of the Act.

#### **296-60.01 Your adjusted total superannuation balance—modifications: contributions in respect of defined benefit interests**

- (1) For the purposes of subsection 296-60(1) of the Act, the modification set out in subsection (2) of this section is prescribed.
- (2) For the purposes of paragraph 296-55(1)(a) of the Act, disregard the amount of a contribution made to a superannuation fund for you during an income year in respect of a defined benefit interest you have in the fund, if you are an accruing member of the fund for the financial year corresponding to the income year.
- (3) Subsection (2) of this section does not apply to the extent that the amount of the contribution is included in:
  - (a) if paragraph (b) of this subsection does not apply—the member contributions amount (within the meaning of clause 1.7 of Schedule 1A) for the financial year; or

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- (b) if section 293-115.20 applies in relation to the defined benefit interest for the financial year—the member contributions amount (within the meaning of subclause 4(3) of Schedule 1AA) for the financial year.

## **Subdivision 296-E—Exclusion of certain earnings**

### **296-310.01 Meaning of *Division 296 excluded interest*—current and former constitutionally protected State higher level office holders**

For the purposes of item 1 of the table in section 296-310 of the Act, an individual who is or has ever been a State higher level office holder is declared.

### **2 Section 995-1.01 (paragraph (b) of the definition of *accruing member*)**

After “Subdivision 293-D”, insert “, subsection 296-60.01(2)”.

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## **Schedule 2—Definition of total superannuation balance**

### **Part 1—Amendments consequential on the Treasury Laws Amendment (Better Targeted Superannuation Concessions and Other Measures) Act 2023**

#### *Income Tax Assessment (1997 Act) Regulations 2021*

##### **1 Subsections 307-205.01(1) and 307-205.02(1)**

Omit “paragraph 307-205(1)(a)”, substitute “paragraph 307-205(a)”.

##### **2 Sections 307-205.02A and 307-205.02B**

Omit “paragraph 307-205(1)(a)”, substitute “paragraph 307-205(a)”.

##### **3 Subsections 307-205.02C(1), 307-205.02D(1) and 307-205.02E(1)**

Omit “paragraph 307-205(1)(a)”, substitute “paragraph 307-205(a)”.

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## Part 2—Total superannuation balance value

### *Income Tax Assessment (1997 Act) Regulations 2021*

#### 4 At the end of Subdivision 307-D

Add:

#### **307-230A.01 Total superannuation balance value—defined benefit interests not in retirement phase**

- (1) Subsection (2) applies to a defined benefit interest at a particular time if, at that time:
  - (a) the interest is not in the retirement phase; and
  - (b) the interest has a family law value; and
  - (c) subsection (4) of this section does not apply to the interest.
- (2) For the purposes of paragraph 307-230A(1)(a) of the Act:
  - (a) if there is no alternative valuation method for the interest—the total superannuation balance value of the interest at that time is the family law value; or
  - (b) if there is an alternative valuation method for the interest—the method for determining the total superannuation balance value of the interest at that time is the alternative valuation method.

#### *Certain non-public sector lump sum-only interests*

- (3) Subsection (4) applies to a defined benefit interest at a particular time if, at that time:
  - (a) the interest is not in the retirement phase; and
  - (b) section 307-230A.07 applies to the interest.
- (4) For the purposes of paragraph 307-230A(1)(a) of the Act:
  - (a) if there is no alternative valuation method for the interest—the total superannuation balance value of the interest at that time is the vested benefits total of the interest; or
  - (b) if there is an alternative valuation method for the interest—the method for determining the total superannuation balance value of the interest at that time is the alternative valuation method.

Note: For the total superannuation balance value of a superannuation interest to which this section and section 307-230A.02 of this instrument do not apply, see paragraph 307-230A(1)(b) of the Act.

#### **307-230A.02 Total superannuation balance value—superannuation interests in retirement phase**

#### *Superannuation interests that have family law values*

- (1) Subject to subsection (5), subsection (2) applies to a superannuation interest at a particular time if, at that time:
    - (a) the interest is in the retirement phase; and
    - (b) the interest has a family law value.
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- (2) For the purposes of paragraph 307-230A(1)(a) of the Act:
  - (a) if there is no alternative valuation method for the interest—the total superannuation balance value of the interest at that time is the family law value; or
  - (b) if there is an alternative valuation method for the interest—the method for determining the total superannuation balance value of the interest at that time is the alternative valuation method.

## *Other superannuation interests*

- (3) Subject to subsection (5), subsection (4) applies to a superannuation interest at a particular time if, at that time:
  - (a) the interest is in the retirement phase; and
  - (b) the interest does not have a family law value.
- (4) For the purposes of paragraph 307-230A(1)(a) of the Act, the total superannuation balance value of the interest at that time is:
  - (a) if section 307-230A.08 applies to the interest—the maximum commutation amount of the interest; or
  - (b) otherwise—the value of the interest (within the meaning of section 307-205 of the Act).

## *Superannuation interests to which this section does not apply*

- (5) This section does not apply to a superannuation interest at a particular time if the interest supports any of the following superannuation income streams at that time:
  - (a) an allocated annuity;
  - (b) an allocated pension;
  - (c) an allocated pension (within the meaning of the RSA Regulations);
  - (d) an account-based annuity;
  - (e) an account-based pension (within the meaning of the SIS Regulations);
  - (f) an account based pension (within the meaning of the RSA Regulations);
  - (g) a market linked annuity (within the meaning of the SIS Regulations);
  - (h) a market linked pension (within the meaning of the SIS Regulations);
  - (i) a market linked pension (within the meaning of the RSA Regulations).

Note: For the total superannuation balance value of a superannuation interest that supports any of those superannuation income streams, see paragraph 307-230A(1)(b) of the Act.

## **307-230A.03 Total superannuation balance value—family law value**

- (1) This section applies in relation to a superannuation interest at a time occurring on a particular day if:
  - (a) a method or factor is approved to be used to determine the gross value of the interest on that day under regulation 38 or 43A of the *Family Law (Superannuation) Regulations 2001*; or
  - (b) Schedule 2, 4 or 5 to those Regulations sets out a method for determining the gross value of the interest on that day; or
  - (c) Schedule 4A or 5A to those Regulations sets out a method for determining the value of the interest on that day.

- (2) The superannuation interest has a *family law value* equal to:
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- (a) if paragraph (1)(a) of this subsection applies—the gross value of the interest on that day, determined using the method or factors approved for the interest as mentioned in paragraph (1)(a); or
  - (b) if paragraph (1)(a) does not apply, but paragraph (1)(b) applies—the gross value of the interest on that day, determined using the method mentioned in paragraph (1)(b); or
  - (c) if paragraphs (1)(a) and (b) do not apply, but paragraph (1)(c) applies—the value of the interest on that day, determined using the method mentioned in paragraph (1)(c).
- (3) For the purposes of this section:
- (a) treat a reference in Schedule 2, 4, 4A or 5A to the *Family Law (Superannuation) Regulations 2001* to “member spouse” as being a reference to “member”; and
  - (b) treat a reference in Schedule 2, 4 or 5 to those Regulations to the relevant date as being a reference to the day mentioned in subsection (1) of this section; and
  - (c) treat a reference in Schedule 4A or 5A to those Regulations to the termination time as being a reference to the time mentioned in subsection (1) of this section; and
  - (d) disregard the words “provided by the trustee under section 90XZB or 90YZR of the Act” in subclauses 30(1) and (2) of Schedule 2 to those Regulations; and
  - (e) disregard the words “as provided by the trustee under section 90XZB or 90YZR of the Act” wherever they occur in Schedules 2 and 4 to those Regulations.

## **307-230A.04 Total superannuation balance value—alternative valuation method**

- (1) This section applies in relation to a superannuation interest at a particular time if, at that time:
  - (a) the interest has a family law value; and
  - (b) a certificate is in force in relation to the interest under section 307-230A.05.
- (2) The method specified in the certificate is the *alternative valuation method* for the interest.

## **307-230A.05 Total superannuation balance value—alternative valuation method: issuing certificates**

### *Issuing certificates*

- (1) A superannuation actuary may issue a certificate under this subsection in relation to specified superannuation interests in a particular defined benefit fund if:
  - (a) the superannuation actuary is requested to do so by the trustee of the fund; and
  - (b) in the opinion of the superannuation actuary, a specified method of valuing the interests meets the requirements of subsection (3) at a specified time.
- (2) The specified superannuation interests must be:
  - (a) all superannuation interests in the fund; or

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- (b) all superannuation interests in the fund of members who belong to a specified benefit category.
- (3) The specified method meets the requirements of this subsection at a particular time if, were the method used to determine the value, at that time, of all of the specified superannuation interests, the value determined for each interest would be:
  - (a) not less than 90% of the family law value of the interest; and
  - (b) not greater than 110% of the family law value of the interest.
- (4) To avoid doubt, the requirement in subsection (3) is not met at a particular time unless all of the specified interests have family law values at that time.
- (5) The certificate must:
  - (a) be in writing; and
  - (b) state:
    - (i) the name of the fund; and
    - (ii) the name of the superannuation actuary; and
    - (iii) that, in the opinion of the superannuation actuary, the specified method of valuing the specified interests meets the requirements of subsection (3) at the specified time.

## *When certificate is in force*

- (6) Subject to subsection (7), a certificate (the *current certificate*) issued under subsection (1) in relation to superannuation interests in a defined benefit fund:
  - (a) comes into force at the specified time mentioned in subsection (1) (even if that time occurs before the certificate is issued); and
  - (b) ceases to be in force at the earliest of the following times:
    - (i) the end of 3 years starting when the certificate comes into force;
    - (ii) when the certificate is withdrawn under section 307-230A.06;
    - (iii) when another certificate that is issued under subsection (1) and that relates to any of the superannuation interests to which the current certificate relates comes into force.
- (7) However, the certificate is not in force at a particular time if:
  - (a) before the certificate is issued, the trustee of the fund gives to the Commissioner a statement under subsection 390-5(1) in Schedule 1 to the *Taxation Administration Act 1953* in relation to an individual who holds any of the specified interests; and
  - (b) the statement contains the total superannuation balance value at that time of any of the specified interests.

## **307-230A.06 Total superannuation balance value—alternative valuation method: withdrawing certificates**

### *Withdrawal by superannuation actuary*

- (1) A superannuation actuary must, at a particular time, withdraw a certificate issued under section 307-230A.05 in relation to superannuation interests in a defined benefit fund if:
  - (a) the certificate is in force; and



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- (b) the superannuation actuary, in the performance of the superannuation actuary's functions under the Act, this instrument, the SIS Act or the SIS Regulations, forms the opinion that the method specified in the certificate does not, at that time, meet the requirements of subsection 307-230A.05(3) of this instrument in relation to the interests.
- (2) A withdrawal under subsection (1) of this section must be:
  - (a) in writing; and
  - (b) given to the trustee of the defined benefit fund.

## *Withdrawal by trustee*

- (3) A trustee of a defined benefit fund may withdraw a certificate issued under section 307-230A.05 in relation to superannuation interests in the fund at any time while the certificate is in force.
- (4) A withdrawal under subsection (3) must be in writing.

## **307-230A.07 Total superannuation balance value—vested benefits total**

- (1) This section applies in relation to a superannuation interest of an individual in a superannuation fund at a particular time if:
  - (a) under the rules of the fund, a superannuation interest in the fund can never support a superannuation income stream; and
  - (b) the fund is not a public sector superannuation scheme; and
  - (c) 12 months before that time:
    - (i) this section applied in relation to the interest, and the vested benefits total of the interest was \$1 million or less; or
    - (ii) the interest did not exist.
- (2) The *vested benefits total* of the interest is the total value of the superannuation benefits to which the individual would become entitled if, at that time:
  - (a) the individual:
    - (i) had the right to cause the superannuation interest to cease; and
    - (ii) voluntarily caused the superannuation interest to cease; or
  - (b) became entitled to a SIS pension, RSA pension or deferred benefit.
- (3) For the purposes of subsection (2), the total value mentioned in that subsection is to be worked out in accordance with accounting standards in force at the time (even if the standard does not otherwise apply to the superannuation fund).

## **307-230A.08 Total superannuation balance value—maximum commutation amount**

- (1) This section applies to a superannuation interest at a particular time if, at that time:
  - (a) the interest supports a superannuation income stream provided under a contract or rules that meet the standards of subregulation 1.06A(2) of the SIS Regulations; and
  - (b) sections 307-205.02C, 307.205.02D and 307.205.02E of this instrument do not apply to the interest.

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- (2) The *maximum commutation amount* of the interest is the amount worked out under paragraph 1.06B(1)(c) of the SIS Regulations for the superannuation income stream at that time.

## 5 Section 995-1.01 (paragraph (b) of the definition of *benefit category*)

After “for the purposes of”, insert “Subdivision 307-D and”.

## 6 Section 995-1.01 (paragraph (b) of the definition of *defined benefit fund*)

After “for the purposes of”, insert “Subdivision 307-D and”.

## 7 Section 995-1.01

Insert:

*alternative valuation method* has the meaning given by subsection 307-230A.04(2).

*family law value* has the meaning given by subsection 307-230A.03(2).

*maximum commutation amount* has the meaning given by subsection 307-230A.08(2).

*superannuation actuary* has the same meaning as in the SIS Act.

*vested benefits total* has the meaning given by subsection 307-230A.07(2).

## 8 In the appropriate position in Part 1000-5

Insert:

### 1000-5.03 Transitional provision—vested benefits total

For the purposes of working out whether section 307-230A.07, as inserted by Part 2 of Schedule 2 to the *Treasury Laws Amendment Instrument 2024*, applies to a superannuation interest at a particular time occurring before 30 June 2026:

- (a) disregard the reference in subparagraph 307-230A.07(1)(c)(i) to that section having applied 12 months before that time; and
- (b) treat the reference in that subparagraph to the vested benefits total of the interest as being a reference to the value of the interest.

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## Schedule 3—Family law splits

### Part 1—Better targeted superannuation concessions

#### *Income Tax Assessment (1997 Act) Regulations 2021*

##### **1 Before section 296-55.01**

Insert:

##### **296-50.01 Your adjusted total superannuation balance—your withdrawals total: family law split (member spouse)**

- (1) For the purposes of paragraph 296-50(1)(h) of the Act, the amount mentioned in subsection (2) of this section is prescribed in relation to an income year of yours if:
  - (a) a superannuation interest of yours becomes subject to a payment split at a time occurring during the year; and
  - (b) at that time, the non-member spouse in relation to the interest is treated, under subsection 307-230(3) of the Act, as having a superannuation interest (the *non-member spouse's interest*) because of the payment split.
- (2) The amount is the total superannuation balance value of the non-member spouse's interest at that time.

##### **296-50.02 Your adjusted total superannuation balance—your withdrawals total: family law split (non-member spouse)**

For the purposes of paragraph 296-50(1)(h) of the Act, the amount of a family law superannuation payment that is made to you is prescribed in relation to the income year of yours in which the payment is made if:

- (a) the payment is made because a superannuation interest of another person (the *member spouse's interest*) is subject to a payment split; and
- (b) when the payment is made, you are taken, under subsection 307-230(3) of the Act, to have a superannuation interest because the member spouse's interest is subject to the payment split.

##### **2 After section 296-55.01**

Insert:

##### **296-55.02 Your adjusted total superannuation balance—your contributions total: family law splits (non-member spouse)**

- (1) For the purposes of paragraph 296-55(1)(j) of the Act, the amount mentioned in subsection (2) of this section is prescribed in relation to an income year of yours if, at a time occurring during the year, you begin to be taken, under subsection 307-230(3) of the Act, to have a superannuation interest.
- (2) The amount is the total superannuation balance value of the interest at that time.

##### **3 At the end of Subdivision 296-B**

Add:

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## **296-60.02 Your adjusted total superannuation balance—modifications: family law splits (member spouse)**

- (1) For the purposes of subsection 296-60(1) of the Act, the modifications set out in subsections (2) and (3) of this section are prescribed.
- (2) For the purposes of paragraph 296-50(1)(c) of the Act, disregard a family law superannuation payment from a superannuation interest of yours (the *member spouse's interest*) if:
  - (a) the payment is made because the member spouse's interest is subject to a payment split; and
  - (b) when the payment is made, the non-member spouse in relation to the member spouse's interest is treated, under subsection 307-230(3) of the Act, as having a superannuation interest because the member spouse's interest is subject to the payment split.
- (3) For the purposes of paragraph 296-50(1)(d) of the Act, disregard a superannuation death benefit if:
  - (a) the benefit is paid because a superannuation interest of yours (the *member spouse's interest*) is subject to a payment split; and
  - (b) when the benefit is paid, the non-member spouse in relation to the member spouse's interest is treated, under subsection 307-230(3) of the Act, as having a superannuation interest because the member spouse's interest is subject to the payment split.

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## Part 2—Total superannuation balance

### Division 1—Main amendments

#### *Income Tax Assessment (1997 Act) Regulations 2021*

#### 4 Before section 307-230A.01

Insert:

##### **307-230.01 Total superannuation balance—family law payment splitting**

- (1) For the purposes of paragraph 307-230(3)(b) of the Act, the circumstance mentioned in subsection (2) of this section is prescribed.
- (2) The circumstance is that:
  - (a) the superannuation interest mentioned in paragraph 307-230(3)(a) of the Act is a defined benefit interest; and
  - (b) either:
    - (i) the interest is not in the retirement phase; or
    - (ii) the interest is in the retirement phase and supports a superannuation income stream that is a SIS pension, RSA pension, SIS annuity or RSA annuity; and
  - (c) the governing rules of the superannuation plan in which the interest exists do not allow the non-member spouse in relation to the interest to become a member of the plan; and
  - (d) at least part of the amount to which the non-member spouse is entitled under the payment split to which the interest is subject, as mentioned in subparagraph 307-230(3)(a)(ii) of the Act, has not been rolled-over, transferred or allotted to another superannuation interest for the benefit of the non-member spouse.
- (3) For the purposes of subsection 307-230(4) of the Act, a superannuation interest that you are treated as having under subsection 307-230(3) of the Act in the circumstance prescribed by subsection (2) of this section is to be treated as being a defined benefit interest.

#### 5 At the end of Subdivision 307-D

Add:

##### **307-230A.09 Total superannuation balance value—family law payment splitting (non-member spouse)**

- (1) This section applies at a particular time if:
  - (a) a superannuation interest (the *member spouse's interest*) is subject to a payment split; and
  - (b) the circumstance prescribed by subsection 307-230.01(1) exists in relation to the member spouse's interest; and
  - (c) under subsection 307-230(3) of the Act, the non-member spouse in relation to the member spouse's interest is treated as having a superannuation

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interest (the *non-member spouse's interest*) because the member spouse's interest is subject to the payment split; and

(d) the unsplit total superannuation balance value is greater than nil.

- (2) The *unsplit total superannuation balance value* is the value that would be the total superannuation balance value of the member spouse's interest at that time apart from this section.
- (3) For the purposes of paragraph 307-230A(1)(a) of the Act, if the payment split is a base amount payment split, the total superannuation balance value of the non-member spouse's interest at that time is:
- (a) if paragraph (b) of this subsection does not apply:
- (i) in a case in which an adjusted base amount applies to the non-member spouse at that time—the adjusted base amount in relation to the non-member spouse on the day on which that time occurs; or
- (ii) in any other case—the base amount allocated to the non-member spouse, within the meaning of regulation 45 of the *Family Law (Superannuation) Regulations 2001*; or
- (b) if:
- (i) the member spouse's interest is in the retirement phase; and
- (ii) paragraph 54(1)(a) of the *Family Law (Superannuation) Regulations 2001* applies in relation to the member spouse's interest; the value worked out using the following formula:

$$\frac{\text{The unsplit total superannuation balance value} \times \text{The adjusted base amount in relation to the non-member spouse on the day on which the member spouse's interest entered the retirement phase}}{\text{The amount that, apart from this section, would have been the total superannuation balance value of the member spouse's interest at the time at which the member spouse's interest entered the retirement phase}}$$

- (4) For the purposes of paragraph 307-230A(1)(a) of the Act, if the payment split is a percentage payment split, the total superannuation balance value of the non-member spouse's interest at that time is the value worked out using the following formula:

$$\text{The unsplit total superannuation balance value} \times \text{The percentage specified in the relevant superannuation agreement or splitting order}$$

## *Interaction with other provisions of this Subdivision*

- (5) Sections 307-230A.01 and 307-230A.02 have effect subject to this section.

### **307-230A.10 Total superannuation balance value—family law payment splitting (member spouse)**

- (1) This section applies at a particular time if:
- (a) a superannuation interest (the *member spouse's interest*) is subject to a payment split; and
- (b) the circumstance prescribed by subsection 307-230.01(1) exists in relation to the member spouse's interest; and
- (c) under subsection 307-230(3) of the Act, the non-member spouse in relation to the member spouse's interest is treated as having a superannuation

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interest (the *non-member spouse's interest*) because the member spouse's interest is subject to the payment split; and

(d) the unsplit total superannuation balance value is greater than nil.

- (2) The *unsplit total superannuation balance value* is the value that would be the total superannuation balance value of the member spouse's interest at that time apart from this section.
- (3) For the purposes of paragraph 307-230A(1)(a) of the Act, the total superannuation balance value of the member spouse's interest at that time is the value worked out using the following formula:

The unsplit total superannuation balance value  $-$  The total superannuation balance value of the non-member spouse's interest at that time

- (4) However, if the result of the formula in subsection (3) is less than nil, the total superannuation balance value of the member spouse's interest is nil.

### *Interaction with other provisions of this Subdivision*

- (5) Sections 307-230A.01 and 307-230A.02 have effect subject to this section.

## **6 Section 995-1.01**

Insert:

*adjusted base amount* has the same meaning as in the SIS Regulations.

*base amount payment split* has the same meaning as in the SIS Regulations.

*percentage payment split* has the same meaning as in the SIS Regulations.

*RSA annuity* means an annuity (within the meaning of the RSA Act).

*RSA pension* means a pension (within the meaning of the RSA Act).

*SIS annuity* means an annuity (within the meaning of the SIS Act).

*SIS pension* means a pension (within the meaning of the SIS Act).

*splitting order* has the same meaning as in the SIS Regulations.

*superannuation agreement* has the same meaning as in the SIS Regulations.

## **Division 2—Consequential amendments**

### ***Income Tax Assessment (1997 Act) Regulations 2021***

#### **7 Subsection 294-25.02(1) (table item 1)**

Omit “pension for the purposes of the SIS Act”, substitute “SIS pension”.

#### **8 Subsection 294-25.02(1) (table item 2)**

Omit “an annuity for the purposes of the SIS Act”, substitute “a SIS annuity”.

#### **9 Subsection 294-25.02(1) (table item 3)**

Omit “pension for the purposes of the SIS Act”, substitute “SIS pension”.

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**10 Subsection 294-25.02(1) (table item 4)**

Omit “an annuity for the purposes of the SIS Act”, substitute “a SIS annuity”.

**11 Subsection 294-25.02(1) (table item 5)**

Omit “a pension for the purposes of the RSA Act”, substitute “an RSA pension”.

**12 Subsection 294-130.01(2)**

Omit “pension for the purposes of the SIS Act”, substitute “SIS pension”.

**13 Paragraph 294-130.01(3)(b)**

Omit “pension for the purposes of the SIS Act”, substitute “SIS pension”.

**14 Subsection 294-130.01(6)**

Omit “pension for the purposes of the SIS Act”, substitute “SIS pension”.

**15 Subparagraph 307-70.02(1)(b)(i)**

Omit “an annuity or pension within the meaning of the SIS Act”, substitute “a SIS annuity or SIS pension”.

**16 Subparagraph 995-1.05(a)(iii)**

Omit “an annuity within the meaning of subsection 10(1) of the SIS Act”, substitute “a SIS annuity”.



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## Schedule 4—Other amendments

### Part 1—Valuation parameters

#### Division 1—Main amendments

#### *Income Tax Assessment (1997 Act) Regulations 2021*

##### 1 Subclause 3.2(1) of Schedule 1A

Omit “8%”, substitute “6%”.

##### 2 Subclause 3.3(1) of Schedule 1A

Omit “8%”, substitute “6%”.

##### 3 Subclause 3.4(1) of Schedule 1A

Omit “4.5%”, substitute “3.5%”.

##### 4 Subclause 3.7(1) of Schedule 1A

Repeal the subclause, substitute:

- (1) Subject to subsection (1A), the following table sets out the rates of voluntary exit from the fund that are to be assumed.

<b>Voluntary exit rates</b>		
<b>Item</b>	<b>Column 1</b>	<b>Column 2</b>
	<b>Age in years</b>	<b>Exit rate</b>
1	16	0.041
2	17	0.044
3	18	0.046
4	19	0.047
5	20	0.048
6	21	0.048
7	22	0.048
8	23	0.048
9	24	0.047
10	25	0.046
11	26	0.045
12	27	0.044
13	28	0.043
14	29	0.041
15	30	0.040
16	31	0.039
17	32	0.038
18	33	0.037
19	34	0.036
20	35	0.035

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<b>Voluntary exit rates</b>		
<b>Item</b>	<b>Column 1</b>	<b>Column 2</b>
	<b>Age in years</b>	<b>Exit rate</b>
21	36	0.034
22	37	0.033
23	38	0.032
24	39	0.031
25	40	0.030
26	41	0.029
27	42	0.028
28	43	0.027
29	44	0.026
30	45	0.025
31	46	0.025
32	47	0.025
33	48	0.025
34	49	0.025
35	50	0.025
36	51	0.025
37	52	0.025
38	53	0.025
39	54	0.025
40	55	0.100
41	56	0.075
42	57	0.075
43	58	0.075
44	59	0.075
45	60	0.150
46	61	0.150
47	62	0.150
48	63	0.150
49	64	0.150
50	65	1.000

- (1A) The following table sets out the rates of voluntary exit from the fund that are to be assumed if, under the rules of the fund, the normal retirement age of the fund is 60 years.

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<b>Voluntary exit rates</b>		
<b>Item</b>	<b>Column 1</b>	<b>Column 2</b>
	<b>Age in years</b>	<b>Exit rate</b>
1	16	0.041
2	17	0.044
3	18	0.046
4	19	0.047

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# EXPOSURE DRAFT

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<b>Voluntary exit rates</b>		
<b>Item</b>	<b>Column 1</b>	<b>Column 2</b>
	<b>Age in years</b>	<b>Exit rate</b>
5	20	0.048
6	21	0.048
7	22	0.048
8	23	0.048
9	24	0.047
10	25	0.046
11	26	0.045
12	27	0.044
13	28	0.043
14	29	0.041
15	30	0.040
16	31	0.039
17	32	0.038
18	33	0.037
19	34	0.036
20	35	0.035
21	36	0.034
22	37	0.033
23	38	0.032
24	39	0.031
25	40	0.030
26	41	0.029
27	42	0.028
28	43	0.027
29	44	0.026
30	45	0.025
31	46	0.025
32	47	0.025
33	48	0.025
34	49	0.025
35	50	0.025
36	51	0.025
37	52	0.025
38	53	0.025
39	54	0.025
40	55	0.150
41	56	0.150
42	57	0.150
43	58	0.150
44	59	0.150
45	60	1.000

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## 5 Subclause 3.8(2) of Schedule 1A

Omit “10%”, substitute “2.5%”.

## 6 Clause 3.9 of Schedule 1A (table)

Repeal the table, substitute:

<b>Pensioner mortality (qx) rates</b>			
<b>Item</b>	<b>Column 1</b>	<b>Column 2</b>	<b>Column 3</b>
	<b>Age in years</b>	<b>qx (male)</b>	<b>qx (female)</b>
1	31	0.00042	0.00016
2	32	0.00044	0.00017
3	33	0.00046	0.00019
4	34	0.00049	0.00020
5	35	0.00052	0.00022
6	36	0.00056	0.00024
7	37	0.00060	0.00026
8	38	0.00064	0.00028
9	39	0.00069	0.00031
10	40	0.00074	0.00033
11	41	0.00080	0.00037
12	42	0.00086	0.00040
13	43	0.00092	0.00044
14	44	0.00100	0.00048
15	45	0.00108	0.00052
16	46	0.00116	0.00057
17	47	0.00126	0.00062
18	48	0.00136	0.00067
19	49	0.00144	0.00073
20	50	0.00154	0.00079
21	51	0.00159	0.00081
22	52	0.00164	0.00086
23	53	0.00172	0.00090
24	54	0.00180	0.00101
25	55	0.00188	0.00113
26	56	0.00195	0.00125
27	57	0.00202	0.00133
28	58	0.00208	0.00141
29	59	0.00217	0.00148
30	60	0.00229	0.00153
31	61	0.00241	0.00164
32	62	0.00257	0.00176
33	63	0.00274	0.00190
34	64	0.00305	0.00215
35	65	0.00363	0.00246

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<b>Pensioner mortality (qx) rates</b>			
<b>Item</b>	<b>Column 1</b>	<b>Column 2</b>	<b>Column 3</b>
	<b>Age in years</b>	<b>qx (male)</b>	<b>qx (female)</b>
36	66	0.00425	0.00292
37	67	0.00491	0.00334
38	68	0.00561	0.00378
39	69	0.00633	0.00425
40	70	0.00706	0.00488
41	71	0.00801	0.00565
42	72	0.00909	0.00653
43	73	0.01040	0.00750
44	74	0.01194	0.00852
45	75	0.01374	0.00953
46	76	0.01586	0.01085
47	77	0.01837	0.01252
48	78	0.02158	0.01468
49	79	0.02540	0.01731
50	80	0.02999	0.02049
51	81	0.03594	0.02462
52	82	0.04203	0.02936
53	83	0.04912	0.03489
54	84	0.05696	0.04000
55	85	0.06606	0.04558
56	86	0.07601	0.05334
57	87	0.08693	0.06278
58	88	0.09992	0.07424
59	89	0.11362	0.08999
60	90	0.13041	0.10302
61	91	0.14792	0.11725
62	92	0.16773	0.12866
63	93	0.18808	0.14165
64	94	0.20295	0.15826
65	95	0.21812	0.17393
66	96	0.23360	0.19003
67	97	0.24937	0.20870
68	98	0.26539	0.22796
69	99	0.28163	0.25031
70	100	0.29802	0.27339
71	101	0.31547	0.32838
72	102	0.33194	0.35236
73	103	0.34839	0.37645
74	104	0.36480	0.40045
75	105	0.38109	0.42406
76	106	0.39765	0.44606

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<b>Pensioner mortality (qx) rates</b>			
<b>Item</b>	<b>Column 1</b>	<b>Column 2</b>	<b>Column 3</b>
	<b>Age in years</b>	<b>qx (male)</b>	<b>qx (female)</b>
77	107	0.41280	0.46709
78	108	0.42760	0.48695
79	109	0.44200	0.50538

## **7 Subclause 11(1) of Schedule 1AA**

Omit “8%”, substitute “6%”.

## **8 Subclause 12(1) of Schedule 1AA**

Omit “8%”, substitute “6%”.

## **9 Subclause 13(1) of Schedule 1AA**

Omit “4.5%”, substitute “3.5%”.

## **10 Subclause 16(1) of Schedule 1AA**

Repeal the subclause, substitute:

- (1) Subject to subsection (1A), the following table sets out the rates of voluntary exit from the fund that are to be assumed.

<b>Voluntary exit rates</b>		
<b>Item</b>	<b>Column 1</b>	<b>Column 2</b>
	<b>Age in years</b>	<b>Exit rate</b>
1	16	0.041
2	17	0.044
3	18	0.046
4	19	0.047
5	20	0.048
6	21	0.048
7	22	0.048
8	23	0.048
9	24	0.047
10	25	0.046
11	26	0.045
12	27	0.044
13	28	0.043
14	29	0.041
15	30	0.040
16	31	0.039
17	32	0.038
18	33	0.037
19	34	0.036
20	35	0.035
21	36	0.034

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# EXPOSURE DRAFT

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<b>Voluntary exit rates</b>		
<b>Item</b>	<b>Column 1</b>	<b>Column 2</b>
	<b>Age in years</b>	<b>Exit rate</b>
22	37	0.033
23	38	0.032
24	39	0.031
25	40	0.030
26	41	0.029
27	42	0.028
28	43	0.027
29	44	0.026
30	45	0.025
31	46	0.025
32	47	0.025
33	48	0.025
34	49	0.025
35	50	0.025
36	51	0.025
37	52	0.025
38	53	0.025
39	54	0.025
40	55	0.100
41	56	0.075
42	57	0.075
43	58	0.075
44	59	0.075
45	60	0.150
46	61	0.150
47	62	0.150
48	63	0.150
49	64	0.150
50	65	1.000

(1A) The following table sets out the rates of voluntary exit from the fund that are to be assumed if, under the rules of the fund, the normal retirement age of the fund is 60 years.

---

<b>Voluntary exit rates</b>		
<b>Item</b>	<b>Column 1</b>	<b>Column 2</b>
	<b>Age in years</b>	<b>Exit rate</b>
1	16	0.041
2	17	0.044
3	18	0.046
4	19	0.047
5	20	0.048

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<b>Voluntary exit rates</b>		
<b>Item</b>	<b>Column 1</b>	<b>Column 2</b>
	<b>Age in years</b>	<b>Exit rate</b>
6	21	0.048
7	22	0.048
8	23	0.048
9	24	0.047
10	25	0.046
11	26	0.045
12	27	0.044
13	28	0.043
14	29	0.041
15	30	0.040
16	31	0.039
17	32	0.038
18	33	0.037
19	34	0.036
20	35	0.035
21	36	0.034
22	37	0.033
23	38	0.032
24	39	0.031
25	40	0.030
26	41	0.029
27	42	0.028
28	43	0.027
29	44	0.026
30	45	0.025
31	46	0.025
32	47	0.025
33	48	0.025
34	49	0.025
35	50	0.025
36	51	0.025
37	52	0.025
38	53	0.025
39	54	0.025
40	55	0.150
41	56	0.150
42	57	0.150
43	58	0.150
44	59	0.150
45	60	1.000

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## 11 Subclause 16(2) of Schedule 1AA

After “subclause (1)”, insert “or (1A)”.

## 12 Subclause 17(2) of Schedule 1AA

Omit “10%”, substitute “2.5%”.

## 13 Clause 18 in Schedule 1AA (table)

Repeal the table, substitute:

<b>Pensioner mortality (qx) rates</b>			
<b>Item</b>	<b>Column 1</b>	<b>Column 2</b>	<b>Column 3</b>
	<b>Age in years</b>	<b>qx (male)</b>	<b>qx (female)</b>
1	31	0.00042	0.00016
2	32	0.00044	0.00017
3	33	0.00046	0.00019
4	34	0.00049	0.00020
5	35	0.00052	0.00022
6	36	0.00056	0.00024
7	37	0.00060	0.00026
8	38	0.00064	0.00028
9	39	0.00069	0.00031
10	40	0.00074	0.00033
11	41	0.00080	0.00037
12	42	0.00086	0.00040
13	43	0.00092	0.00044
14	44	0.00100	0.00048
15	45	0.00108	0.00052
16	46	0.00116	0.00057
17	47	0.00126	0.00062
18	48	0.00136	0.00067
19	49	0.00144	0.00073
20	50	0.00154	0.00079
21	51	0.00159	0.00081
22	52	0.00164	0.00086
23	53	0.00172	0.00090
24	54	0.00180	0.00101
25	55	0.00188	0.00113
26	56	0.00195	0.00125
27	57	0.00202	0.00133
28	58	0.00208	0.00141
29	59	0.00217	0.00148
30	60	0.00229	0.00153
31	61	0.00241	0.00164
32	62	0.00257	0.00176

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<b>Pensioner mortality (qx) rates</b>			
<b>Item</b>	<b>Column 1</b>	<b>Column 2</b>	<b>Column 3</b>
	<b>Age in years</b>	<b>qx (male)</b>	<b>qx (female)</b>
33	63	0.00274	0.00190
34	64	0.00305	0.00215
35	65	0.00363	0.00246
36	66	0.00425	0.00292
37	67	0.00491	0.00334
38	68	0.00561	0.00378
39	69	0.00633	0.00425
40	70	0.00706	0.00488
41	71	0.00801	0.00565
42	72	0.00909	0.00653
43	73	0.01040	0.00750
44	74	0.01194	0.00852
45	75	0.01374	0.00953
46	76	0.01586	0.01085
47	77	0.01837	0.01252
48	78	0.02158	0.01468
49	79	0.02540	0.01731
50	80	0.02999	0.02049
51	81	0.03594	0.02462
52	82	0.04203	0.02936
53	83	0.04912	0.03489
54	84	0.05696	0.04000
55	85	0.06606	0.04558
56	86	0.07601	0.05334
57	87	0.08693	0.06278
58	88	0.09992	0.07424
59	89	0.11362	0.08999
60	90	0.13041	0.10302
61	91	0.14792	0.11725
62	92	0.16773	0.12866
63	93	0.18808	0.14165
64	94	0.20295	0.15826
65	95	0.21812	0.17393
66	96	0.23360	0.19003
67	97	0.24937	0.20870
68	98	0.26539	0.22796
69	99	0.28163	0.25031
70	100	0.29802	0.27339
71	101	0.31547	0.32838
72	102	0.33194	0.35236
73	103	0.34839	0.37645

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<b>Pensioner mortality (qx) rates</b>			
<b>Item</b>	<b>Column 1</b>	<b>Column 2</b>	<b>Column 3</b>
	<b>Age in years</b>	<b>qx (male)</b>	<b>qx (female)</b>
74	104	0.36480	0.40045
75	105	0.38109	0.42406
76	106	0.39765	0.44606
77	107	0.41280	0.46709
78	108	0.42760	0.48695
79	109	0.44200	0.50538

## **Division 2—Other amendments**

### ***Income Tax Assessment (1997 Act) Regulations 2021***

#### **14 Paragraph 291-170.05(3)(b)**

Repeal the paragraph, substitute:

- (b) on or after 1 July 2021 and before the commencement of Schedule 4 to the *Treasury Laws Amendment Instrument 2024*—using Schedule 1A to this instrument; and
- (ba) on or after that commencement—using Schedule 1A to this instrument, as in force just before that commencement;

#### **15 Paragraph 291-170.07(2)(b)**

Repeal the paragraph, substitute:

- (b) on or after 1 July 2021 and before the commencement of Schedule 4 to the *Treasury Laws Amendment Instrument 2024*—using Schedule 1A to this instrument; and
- (ba) on or after that commencement—using Schedule 1A to this instrument, as in force just before that commencement;

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## Part 2—State higher level office holders

### *Income Tax Assessment (1997 Act) Regulations 2021*

#### 16 Section 293-145.01

Repeal the section, substitute:

#### 293-145.01 Constitutionally protected State higher level office holders

For the purposes of paragraph 293-145(1)(b) of the Act, an individual who is a State higher level office holder is declared.

#### 17 Section 995-1.01

Insert:

*State higher level office holder* means any of the following:

- (a) the Governor of a State;
- (b) a member of the staff of the Governor of a State;
- (c) a Minister of the government of a State;
- (d) a member of the staff of a Minister of the government of a State;
- (e) a member of the Parliament of a State;
- (f) the Clerk of a house of the Parliament of a State;
- (g) a deputy Clerk of a house of the Parliament of a State or an office holder of the Parliament of a State of equivalent seniority;
- (h) the head of a Department of the Parliament of a State or an office holder of the Parliament of a State of equivalent seniority;
- (i) the head of a Department of the Public Service of a State or a statutory office holder of equivalent seniority, including a statutory office holder who is the head of an instrumentality or agency of a State;
- (j) the head of a body, including an office or a commission, within a Department of the Public Service of a State if the body:
  - (i) has the general administration of an Act of the State under a statute; or
  - (ii) has a distinct statutory function that is critical to the constitutional functioning of the State;
- (k) an office holder within a Department of the Public Service of a State if the office holder:
  - (i) has the general administration of an Act of the State under a statute; or
  - (ii) has a distinct statutory function that is critical to the constitutional functioning of the State;
- (l) a head or deputy head of a body, including an office or a commission, of a State if the body has a predominant legal function that is critical to the constitutional functioning of the State;
- (m) the Solicitor-General of a State;
- (n) a judge, justice or magistrate of the court of a State;
- (o) a member of a tribunal of a State, or a commissioner of a commission of a State, who exercises judicial power of a State;

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- (p) a commissioner, deputy commissioner or assistant commissioner of a police force of a State, or an officer of equivalent rank of a police force of a State.

## **Part 3—Application provisions**

### *Income Tax Assessment (1997 Act) Regulations 2021*

#### **18 In the appropriate position in Chapter 7**

Insert:

## **Part 1000-5—Transitional matters relating to the Treasury Laws Amendment Instrument 2024**

### **1000-5.01 Application of amendments—valuation parameters**

- (1) The amendments of Schedule 1A to this instrument made by Division 1 of Part 1 of Schedule 4 to the *Treasury Laws Amendment Instrument 2024* apply for the purposes of working out your notional taxed contributions for a financial year starting on or after 1 July 2025.
- (2) The amendments of Schedule 1AA to this instrument made by Division 1 of Part 1 of Schedule 4 to the *Treasury Laws Amendment Instrument 2024* apply for the purposes of working out your defined benefit contributions for a financial year starting on or after 1 July 2025.

### **1000-5.02 Application of amendments—State higher level office holders**

The amendments made by Part 2 of Schedule 4 to the *Treasury Laws Amendment Instrument 2024* apply in relation to an income year starting on or after 1 July 2025.