



27 February 2018

Retirement Benefits Unit
Retirement Income Policy Division
The Treasury
Langton Crescent
PARKES ACT 2600

Email: superannuation@treasury.gov.au

Dear Sir/Madam,

SMSF ASSOCIATION SUBMISSION ON REVERSIONARY TRANSITION TO RETIREMENT INCOME STREAMS

The Self Managed Super Fund Association (SMSFA) welcomes the opportunity to make a submission on the exposure draft legislation that ensures that a reversionary transition to retirement income stream (TRIS) will always be allowed to automatically transfer to eligible dependants upon the death of the primary recipient.

The SMSFA commends the Government for acting swiftly on this technical issue in order to help implement the 2016-17 Budget superannuation tax reform package. This issue was highlighted in our 2018-19 Pre-Budget Submission.

We support the policy intent of the legislation which allows a reversionary TRIS to revert to a beneficiary who hasn't met a condition of release and ensures that the beneficiary is given 12 months before the pension is credited to their TBC, reduces documentation and compliance burden and places them into the same legal position as reversionary account-based pensions.

We believe the draft legislation will meet the policy intent described in the explanatory memorandum.

We look forward to further consultation with the Government and call for the remainder of our superannuation red-tape technical issues in our Pre-Budget submission and below to be considered and actioned.

1. Addressing inefficiencies in the current residency rules for Australian superannuation funds unfairly affecting SMSFs.
2. An amnesty to allow SMSF trustees to convert their term allocated and legacy pensions to account based pensions.
3. Allowing a 12 month transfer balance cap credit deferral for receipt of a death benefit pension created by a binding death benefit nomination or SMSF trust deed clause.
4. Ensuring that disabled children are not unfairly impacted by the transfer balance cap limitations applying to child pensions.



5. Clarifying legislation regarding insurance proceeds and reversionary death benefit pensions.
6. Repealing the work test to harmonise contribution rules for older taxpayers with those under the age of 65.

If you have any questions about our submission please do not hesitate in contacting us.

Yours sincerely,

A handwritten signature in black ink that reads 'John L. Maroney'.

John Maroney
CEO
SMSF Association

ABOUT THE SMSF ASSOCIATION

The SMSF Association is the peak professional body representing SMSF sector which is comprised of over 1.1 million SMSF members who have \$701 billion of funds under management and a diverse range of financial professionals servicing SMSFs. The SMSF Association continues to build integrity through professional and education standards for advisors and education standards for trustees. The SMSF Association consists of professional members, principally accountants, auditors, lawyers, financial planners and other professionals such as tax professionals and actuaries. Additionally, the SMSF Association represents SMSF trustee members and provides them access to independent education materials to assist them in the running of their SMSF.