

# Superannuation - large balances options

- Large superannuation balances are a legacy from previous (particularly pre-2007) superannuation policy settings.
- While rules such as contributions limits have been successively tightened, these large balances have remained in the superannuation system, benefiting from generous earnings tax concessions and are expected to remain in the system for several more decades.
- These large balances are primarily held by high-wealth individuals over 60 years and are used for tax minimisation and estate-planning.

s 22

**From:** Kennedy, Darren  
**Sent:** Saturday, 25 February 2023 5:18 PM  
**To:** Hawkins, Adam; s 22  
s 22 Kelly, Lynn  
**Cc:** Di Marco, Katrina; s 22  
**Subject:** RE: Excess balance earnings tax - document list ~~SEC - PROTECTED,~~  
~~CAVEAT - CHICABINET~~  
**Attachments:** Worked super fund example.xlsx

Hi all

Attached is a spreadsheet with my attempt at worked examples of the 3 options. It includes background that Diane requested re: building up from different asset allocations etc.

s 47C, s 47E(d)

Feedback welcome – it's a while since I've developed a spreadsheet model! In particular, please let me know if I have not correctly represented the policy specs. Thanks to Phil H. though for casting his eye over this and picking up a few errors.

Regards  
Darren

**Darren Kennedy** — Assistant Secretary  
Indirect Tax and Tax System Analysis Branch, Tax Analysis Division  
The Treasury

*The Treasury acknowledges the traditional owners of country throughout Australia, and their continuing connection to land, water and community. We pay our respects to them and their cultures and to elders both past and present.*



s 22

APRA\_Super fund 1

**Assume shares only produce dividends, property only produces capital gains**

	Notes	Member 1	Member 2	Fund
<b>Opening balance</b>		<b>5000</b>	<b>5000</b>	<b>10000</b>
<i>Opening investments</i>	Allocation %	0.5	0.5	
International shares	50%	2500	2500	5000
Australian shares	25%	1250	1250	2500
Property/infrastructure	20%	1000	1000	2000
Cash	5%	250	250	500
<b>Contributions (last day of year)</b>		<b>500</b>	<b>0</b>	<b>500</b>
Withdrawals (first day of year)	From property		500	500
<i>Closing investment before returns and fees</i>				
International shares		2750	2250	5000
Australian shares		1375	1125	2500
Property/infrastructure		1100	900	2000
Cash		275	225	500
<b>Total</b>		<b>5500</b>	<b>4500</b>	<b>10000</b>
<i>Investment returns - dividends</i>				
	<i>Rate of return (dividends excluding franking)</i>			
International shares	10%	250.00	250.00	500.00
Australian shares	10%	125.00	125.00	250.00
Property/infrastructure	0%	0.00	0.00	0.00
Cash	0%	0.00	0.00	0.00
<i>PLUS Franking credits</i>		50.00	50.00	100.00
<i>Capital gains</i>				
Unrealised capital gains on property	10%	100.00	50.00	150.00
<b>Realised capital gains</b>		<b>0.00</b>	<b>250.00</b>	<b>250.00</b>
<b>Total gross returns</b>		<b>475.00</b>	<b>425.00</b>	<b>900.00</b>
% opening balance		10%	9%	9%
<i>Closing balance before taxes</i>				
International shares		3000.00	2500.00	5500.00
Australian shares		1500.00	1250.00	2750.00
Property/infrastructure		1200.00	950.00	2150.00
Cash		275.00	225.00	500.00
<b>Total</b>		<b>5975.00</b>	<b>4925.00</b>	<b>10900.00</b>
	share	55%	45%	
<i>Fund tax return</i>				
<b>Taxable fund income</b>		<b>925.00</b>	<b>592.50</b>	<b>1517.50</b>
Less fund overheads/costs				200.00
<b>Net fund income before tax</b>				<b>1317.50</b>
<b>Super fund tax</b>	15%			<b>97.63</b>
Net fund income after tax				1219.88
<b>Total cost to members</b>				<b>297.63</b>
Fees allocation to members		109.63	90.37	200.00
Contributions tax allocation		75.00	0.00	75.00
Investment tax allocation		12.40	10.22	22.63
<b>Total tax and fees on members</b>		<b>197.04</b>	<b>100.59</b>	<b>297.63</b>
<i>Closing balance</i>				
International shares		3000.00	2500.00	5500.00
Australian shares		1500.00	1250.00	2750.00
Property/infrastructure		1200.00	950.00	2150.00
Cash	less fees/taxes here	77.96	124.41	202.38
<b>Total</b>		<b>5777.96</b>	<b>4824.41</b>	<b>10602.38</b>
<b>Rates of return</b>				
Notional gross portfolio return		7.50%		
Gross investment return	\$	475.00	425.00	900.00
% opening balance		9.5%	8.5%	9.0%
<b>Tax paid on returns</b>	\$	<b>12.40</b>	<b>10.22</b>	<b>22.63</b>
<b>Effective tax rate on invest returns</b>	% gross invest return	<b>3%</b>	<b>2%</b>	<b>3%</b>

Funds report lines in GREEN to ATO

**EXCESS BALANCES - assume amounts to left all relate to an excess balance over \$3m**

Member 1    Member 2    Fund    Notes

**Option 1 - additional 15% tax on investment returns (excluding all capital gains including realised gains)**

Fund income				1517.50
Less fund costs				-200.00
Less total contributions plus contributions tax				-425.00
Less realised CGT				-167.50
Net fund income				725.00
ALLOCATE FUND INCOME TO MEMBERS	362.5	362.5		725
Tax on excess	15%	54.375	54.375	108.75
effective tax rate		11%	13%	

*Note: gross earnings by person*                      475.00                      425.00  
*difference in tax base*                              -112.50                      -62.50

**Option 2 - proxy return**

Opening balance		5,000.00	5,000.00	10,000.00
Closing balance		5,777.96	4,824.41	10,602.38
Contributions less withdrawals		500.00 -	500.00	-
Tax base		277.96	324.41	602.38
Tax base	15%	41.69	48.66	90.36
Effective tax rate on gross earnings		8.8%	11.4%	

**Option 3 - Deemed return**

Opening balance		5,000.00	5,000.00	10,000.00
Deemed return	7%	350.00	350.00	700.00
Tax on deemed return	15%	52.50	52.50	105.00
Effective tax rate on gross earnings		11%	12%	12%

s 47C, s 47E(d)



s 22

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**From:** Kennedy, Darren  
**Sent:** Monday, 27 February 2023 11:24 AM  
**To:** s 22  
**Cc:** Hawkins, Adam; Kelly, Lynn; Brown, Diane; Di Marco, Katrina; HS 22  
**Subject:** Worked super fund example\_revised.xlsx  
**Attachments:** Worked super fund example\_revised.xlsx

Hi s 22 – revised version of the worked super fund spreadsheet.

I've just tweaked the investment returns to more clearly show why Option 2 might be tougher than Option 1.

Thanks to s 22 for their checking and useful comments.

Happy to discuss

Darren

APRA\_Super fund 1

**Assume shares only produce dividends, property only produces capital gains**

	Notes	Member 1	Member 2	Fund	
<b>Opening balance</b>		5000	5000	10000	
		0.5	0.5		
<i>Opening investments</i>	Allocation %				
International shares	50%	2500	2500	5000	
Australian shares	25%	1250	1250	2500	
Property/infrastructure	20%	1000	1000	2000	
Cash	5%	250	250	500	
<b>Contributions (last day of year)</b>		500	0	500	
Withdrawals (last day of year)	From property		500	500	
<i>Closing investment before returns and fees</i>					
International shares		2750	2250	5000	
Australian shares		1375	1125	2500	
Property/infrastructure		1100	900	2000	
Cash		275	225	500	
Total		5500	4500	10000	
<i>Investment returns - dividends</i>	Rate of return (dividends excluding franking)				
International shares	10%	250.00	250.00	500.00	
Australian shares	10%	125.00	125.00	250.00	
Property/infrastructure	0%	0.00	0.00	0.00	
Cash	0%	0.00	0.00	0.00	
<b>PLUS Franking credits</b>		50.00	50.00	100.00	
<i>Capital gains</i>					
Unrealised capital gains on property	30%	300.00	150.00	450.00	
Realised capital gains		0.00	250.00	250.00	
<b>Total gross returns</b>		<b>675.00</b>	<b>525.00</b>	<b>1200.00</b>	Capital gain
% opening balance		13.50%	10.50%	12.00%	
<i>Closing balance before taxes</i>					
International shares		3000.00	2500.00	5500.00	
Australian shares		1500.00	1250.00	2750.00	
Property/infrastructure		1400.00	1050.00	2700.00	
Cash		275.00	225.00	500.00	
Total		6175.00	5025.00	11200.00	
	share	55%	45%		
<i>Fund tax return</i>					
Taxable fund income		925.00	592.50	1517.50	
Less fund overheads/costs				200.00	
Net fund income before tax				1317.50	
Super fund tax	15%			97.63	
Net fund income after tax				1219.88	
Total cost to members				297.63	
Fees allocation to members		110.27	89.73	200.00	
Contributions tax allocation		75.00	0.00	75.00	
Investment tax allocation		12.47	10.15	22.63	
Total tax and fees on members		197.74	99.88	297.63	
<i>Closing balance</i>					
International shares		3000.00	2500.00	5500.00	
Australian shares		1500.00	1250.00	2750.00	
Property/infrastructure		1400.00	1050.00	2450.00	
Cash	less fees/taxes here	77.26	125.12	202.38	
<b>Total</b>		<b>5977.26</b>	<b>4925.12</b>	<b>10902.38</b>	
<b>Rates of return</b>					
Notional gross portfolio return		7.50%			
Gross investment return	\$	675.00	525.00	1200.00	
	% opening balance	13.5%	10.5%	12.0%	
Tax paid on returns	\$	12.47	10.15	22.63	
Effective tax rate on invest returns	% gross invest return	2%	2%	2%	

Funds report lines in GREEN to ATO

EXCESS BALANCES - assume amounts to left all relate to an excess balance over \$3m

	Member 1	Member 2	Fund	Notes
<b>Option 1 - additional 15% tax on investment returns (excluding all capital gains including realised gains)</b>				
Fund income			1517.50	
Less fund costs			-200.00	
Less total contributions			-500.00	
Less realised CGT			-167.50	s 47C, s 47E(d)
Net fund income			650.00	
ALLOCATE FUND INCOME TO MEMBERS	325	325	650	
Tax on excess	15%	48.75	48.75	97.50
effective tax rate		7.2%	9.3%	8.1%
<i>Note: gross earnings by person</i>	675.00	525.00	1200.00	
<i>difference in tax base</i>	-350.00	-200.00		
<b>Option 2 - proxy return</b>				
Opening balance	5,000.00	5,000.00	10,000.00	
Closing balance	5,977.26	4,925.12	10,902.38	
Contributions less withdrawals	425.00 -	500.00 -	75.00	
Tax base	552.26	425.12	977.38	
Tax base	15%	82.84	63.77	146.61
Effective tax rate on gross earnings		12.3%	12.1%	12.2%
<b>Option 3 - Deemed return</b>				
Opening balance	5,000.00	5,000.00	10,000.00	
Deemed return	7%	350.00	350.00	700.00
Tax on deemed return	15%	52.50	52.50	105.00
Effective tax rate on gross earnings		7.8%	10.0%	8.8%

s 22

**From:** Hawkins, Adam  
**Sent:** Friday, 24 February 2023 6:14 PM  
**To:** s 22  
**Cc:** s 22  
**Subject:** FW: Distributional analysis of large balances [~~SEC - PROTECTED, CAVEAT - SH.CABINET~~]  
**Attachments:** 20230224 - Distributional analysis for large balances tax - for RAID.docx

~~PROTECTED//CABINET~~

FYI

~~PROTECTED//CABINET~~

**From:** s 22 @TREASURY.GOV.AU>  
**Sent:** Friday, 24 February 2023 6:12 PM  
**To:** Hawkins, Adam <Adam.Hawkins@TREASURY.GOV.AU>  
**Cc:** Kelly, Lynn <Lynn.Kelly@treasury.gov.au>; s 22 @TREASURY.GOV.AU>; s 22 @treasury.gov.au>; Di Marco, Katrina <Katrina.DiMarco@TREASURY.GOV.AU>; RG TAD SES <RG-TAD-SES@TREASURY.GOV.AU>; s 22 @TREASURY.GOV.AU>; s 22 @TREASURY.GOV.AU>; s 22 @TREASURY.GOV.AU>; s 22 @TREASURY.GOV.AU>  
**Subject:** Distributional analysis of large balances [~~SEC - PROTECTED, CAVEAT - SH.CABINET~~]

~~PROTECTED//CABINET~~

Adam,

As requested, attached is a document with distributional analysis of those individuals who would be affected by a policy with a \$3m threshold using data for projected balances for 2025-26.

Let us know if there is anything else that you need, and happy to discuss.

Cheers,

s 22

s 22 — Director  
Superannuation and Retirement Incomes Unit, Business and Superannuation Tax Analysis Branch  
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s 22

**From:** Hawkins, Adam  
**Sent:** Friday, 24 February 2023 7:26 PM  
**To:** s 22  
s 22  
**Cc:** Kelly, Lynn  
**Subject:** FW: Superannuation policy summary [~~SEC-PROTECTED, CAVEAT-SH-CABINET~~]  
**Attachments:** 230224 Large balances proposal design\_Tsy.docx

~~PROTECTED//CABINET~~

FYI

~~PROTECTED//CABINET~~

**From:** s 22 @TREASURY.GOV.AU>  
**Sent:** Friday, 24 February 2023 7:14 PM  
**To:** Brown, Diane <Diane.Brown@TREASURY.GOV.AU>; Hawkins, Adam <Adam.Hawkins@TREASURY.GOV.AU>; Di Marco, Katrina <Katrina.DiMarco@TREASURY.GOV.AU>; Cai, Yi Yong <YiYong.Cai@treasury.gov.au>; s 22 @TREASURY.GOV.AU>  
**Cc:** s 22 @TREASURY.GOV.AU>; s 22 @TREASURY.GOV.AU>  
**Subject:** Superannuation policy summary [~~SEC-PROTECTED, CAVEAT-SH-CABINET~~]

~~PROTECTED//CABINET~~

Hi everyone

Thanks very much for all the rapid policy work on super, we really appreciate it.

I've attached the policy summary document I mentioned in our catch up this afternoon.

I've also scheduled a meeting for 5pm tomorrow to take stock and discuss next steps.

Please feel free to call me ahead of the meeting if there's anything you want to discuss.

s 22

s 22  
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FOI 3292  
Document 12

28 February 2023

# Superannuation tax breaks

**Joint media release with  
The Hon Stephen Jones MP  
Assistant Treasurer  
Minister for Financial Services**

The Albanese Government is making Australia's world-class superannuation system more sustainable and fairer with one modest change that affects less than 0.5 per cent of all Australians.

Since coming to government, we've been up-front about the challenges facing the economy and the budget. We inherited a trillion dollars of debt as well as growing spending pressures in defence, health, aged care and the NDIS.

These challenges mean we need to make responsible budget choices to ensure generous superannuation tax breaks are better targeted and sustainable.

The modest adjustment we announce today means 99.5 per cent of Australians with superannuation accounts will continue to receive the same generous tax breaks, and the 0.5 per cent of people with balances above \$3 million will receive less generous tax breaks.

Currently, earnings from superannuation in the accumulation phase are taxed at a concessional rate of up to 15 per cent. This will continue for all superannuation accounts with balances below \$3 million.

From 2025-26, the concessional tax rate applied to future earnings for balances above \$3 million will be 30 per cent.

This is expected to apply to around 80,000 people, and they will continue to benefit from more generous tax breaks on earnings from the \$3 million below the threshold.

This adjustment does not impose a limit on the size of superannuation account balances in the accumulation phase. And it applies to future earnings – it is not retrospective.

This modest adjustment to tax breaks for the biggest accounts is expected to generate revenue of about \$2 billion in its first full year of revenue after the election.

The *2022-23 Tax Expenditures and Insights Statement*

(<https://treasury.gov.au/publication/p2023-370286>) released today shows that the revenue foregone from superannuation tax concessions amounts to about \$50 billion a year. The cost of these concessions is projected to exceed the cost of the Age Pension by 2050.

This modest adjustment is consistent with the Government's proposed objective of superannuation, to deliver income for a dignified retirement in an equitable and sustainable way.

Labor built the superannuation system. We will always protect it and make it stronger, because we want working people to have dignity and security in retirement.

More than 99.5 per cent of Australians will continue to receive the same generous tax breaks that help them save more for retirement through superannuation. The 0.5 per cent of individuals with superannuation accounts over \$3 million will receive less generous tax breaks for balances that are beyond what is necessary to fund a comfortable retirement.

The Government will introduce enabling legislation to implement this adjustment as soon as practicable. Further consultation will be undertaken with the superannuation industry and other relevant stakeholders to settle the implementation of the measure.

More information about the policy details will be published on the Treasury website.


Download the [Better targeted superannuation concessions factsheet](/sites/ministers.treasury.gov.au/files/2023-03/better-targeted-superannuation-concessions-factsheet_0.pdf) ([/sites/ministers.treasury.gov.au/files/2023-03/better-targeted-superannuation-concessions-factsheet\\_0.pdf](/sites/ministers.treasury.gov.au/files/2023-03/better-targeted-superannuation-concessions-factsheet_0.pdf)) [PDF 308KB].



The Hon Dr Jim Chalmers MP  
Treasurer

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# Better Targeted Superannuation Concessions

From 1 July 2025, the Government will reduce the tax concessions available to individuals whose total superannuation balances exceed \$3 million at the end of the financial year.

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## Overview

The Government is reducing the tax concessions available to individuals whose total superannuation balances exceed \$3 million. Individuals with balances over this threshold would be subject to an additional tax of 15 per cent on the earnings on any balance that exceeds the \$3 million threshold.

This change broadly brings the headline tax rate on earnings corresponding to that proportion of the balance greater than \$3 million to 30 per cent.

As is the case currently, there would be no limit imposed on the size of account balances in the accumulation phase.

This change is expected to affect less than 0.5 per cent of individuals with a superannuation account. By 2025-26 it is expected to apply to less than 80,000 people meaning that more than 99.5 per cent of individuals with a superannuation account will continue to be unaffected by the change.

## Application

Individuals with total superannuation balances (TSBs) over \$3 million at the end of a financial year will be subject to a tax of 15 per cent on earnings.

This tax is in addition to any tax their superannuation funds pay on earnings in accumulation. This means that earnings attributable to balances above \$3 million will generally attract a combined headline rate of 30 per cent.

This measure will commence on 1 July 2025 and apply to the 2025-26 financial year onwards.

The tax only applies to the proportion of earnings corresponding to balances above \$3 million. This means that earnings corresponding to funds below \$3 million will continue to be taxed at 15 per cent or less.

Earnings are calculated with reference to the difference in TSB at the start and end of the financial year, adjusting for withdrawals and contributions.

Negative earnings can be carried forward and offset against this tax in future years' tax liabilities.

Individuals will have the choice of either paying the tax out-of-pocket or from their superannuation funds. Individuals who hold multiple superannuation funds can elect the fund from which the tax is paid. This tax will be separate to an individual's personal income tax, similar to the existing Division 293 tax.

It is the Government's intent to ensure broadly commensurate treatment for defined benefit interests. Treasury will consult further on the appropriate treatment for defined benefit interests.

As the overwhelming majority of superannuation members are unaffected by this measure, the Government's implementation approach seeks to avoid imposing significant (and potentially costly) systems and reporting changes that could indirectly affect other members. The proposed approach is based on existing fund reporting requirements. Noting that funds do not currently report (or generally calculate) taxable earnings at an individual member level, the calculation uses an alternative method for identifying taxable earnings for members with balances over \$3 million.

### Calculation method

- a) The below formula will be used for calculating earnings in a financial year:

$$Earnings = TSB_{Current\ Financial\ Year} - TSB_{Previous\ Financial\ Year} + Withdrawals - Net\ Contributions$$

- b) The proportion of earnings corresponding to funds above \$3 million is calculated as follows:

$$Proportion\ of\ Earnings = \frac{TSB_{Current\ Financial\ Year} - \$3\ million}{TSB_{Current\ Financial\ Year}}$$

- c) The tax liability is calculated as follows:

$$Tax\ Liability = 15\ per\ cent \times Earnings \times Proportion\ of\ Earnings$$

The formula calculates the difference between the member's TSB for the current and previous financial years and adjusts for net contributions (which excludes contributions tax paid by the fund on behalf of the member) and withdrawals.

If an individual makes an earnings loss in a financial year, this can be carried forward to reduce the tax liability in future years.

The calculation of earnings includes all notional (unrealised) gains and losses, similar to the way superannuation funds currently calculate members' interests.

## Notice of assessment and reporting process for funds

The Government's approach is intended to minimise the extent of new reporting requirements for superannuation funds.

TSBs in excess of \$3 million will be tested for the first time on 30 June 2026, with the first notices of a tax liability expected to be issued to individuals in the 2026-27 financial year. Individuals will be notified of their liability to pay this tax by the Australian Taxation Office (ATO). The ATO already uses superannuation fund reporting to calculate the total amount that individuals have in the superannuation system, across multiple accounts. This calculation is used for other purposes, such as whether individuals are eligible to make non-concessional contributions.

Individuals can currently view their TSBs via ATO online services.

## Consultation

Treasury will consult on the implementation of this measure.

## Examples

### *Balance not affected by changes*

- Debbie has a balance in her superannuation fund of \$150,000 at 30 June 2025.
- Debbie's balance at 30 June 2026 is \$165,000.
- The proposed changes will not apply to Debbie because her total superannuation balance is less than \$3 million.

### *Balance exceeding \$3 million*

- Warren is 52 with \$4 million in superannuation at 30 June 2025. He makes no contributions or withdrawals. By 30 June 2026 his balance has grown to \$4.5 million.
- This means Warren's calculated earnings are:  
 $\$4.5 \text{ million} - \$4 \text{ million} = \$500,000$
- His proportion of earnings corresponding to funds above \$3 million is:  
 $(\$4.5 \text{ million} - \$3 \text{ million}) \div \$4.5 \text{ million} = 33\%$
- Therefore, his tax liability for 2025-26 is:  
 $15\% \times \$500,000 \times 33\% = \$24,750$

### *Calculation of earnings*

- Carlos is 69 and retired. His SMSF has a superannuation balance of \$9 million on 30 June 2025, which grows to \$10 million on 30 June 2026. He draws down \$150,000 during the year and makes no additional contributions to the fund.



- This means Carlos's calculated earnings are:  
 $\$10 \text{ million} - \$9 \text{ million} + \$150,000 = \$1.15 \text{ million}$
- His proportion of earnings corresponding to funds above \$3 million is:  
 $(\$10 \text{ million} - \$3 \text{ million}) \div \$10 \text{ million} = 70\%$
- Therefore, his tax liability for 2025-26 is:  
 $15\% \times \$1.15 \text{ million} \times 70\% = \$120,750$

***Election to pay liability from funds / concessional contributions in a year***

- Louise is 40 and working. At 30 June 2026, she has a balance of \$2 million in an APRA-regulated fund, and a balance of \$3 million in an SMSF. At 30 June 2025, the balance of her APRA-regulated fund was \$1.9 million and the balance of her SMSF was \$2.9 million. She does not meet a condition of release, so she has no withdrawals during the year. She makes \$20,000 of concessional contributions into her SMSF. Her contributions net of tax on contributions is \$17,000.
- This means Louise's calculated earnings are:  
 $\$5 \text{ million} - \$4.8 \text{ million} - \$17,000 = \$183,000$
- Her proportion of earnings corresponding to funds above \$3 million is:  
 $(\$5 \text{ million} - \$3 \text{ million}) \div \$5 \text{ million} = 40\%$
- This means her tax liability for 2025-26 is:  
 $15\% \times \$183,000 \times 40\% = \$10,980$
- Louise elects to pay \$5,000 from her APRA-regulated fund and \$5,980 from her SMSF.

***Carry forward of earnings loss***

- Dave is 70 and has two APRA-regulated funds and one SMSF. At 30 June 2025, his TSB across all funds was \$7 million. During 2025-26, he withdraws \$400,000 from his SMSF and makes no contributions. At 30 June 2026, his TSB across all funds is \$6 million.
- This means Dave's calculated earnings are:  
 $\$6 \text{ million} - \$7 \text{ million} + \$400,000 = - \$600,000$
- His proportion of earnings corresponding to funds above \$3 million is:  
 $(\$6 \text{ million} - \$3 \text{ million}) \div \$6 \text{ million} = 50\%$
- The earnings loss attributable to the excess balance is \$300,000. Dave can carry forward the \$300,000 to offset future excess balance earnings.
- At 30 June 2027, Dave's funds make earnings on his excess superannuation balance of \$650,000. He carries forward the earnings losses attributable to his

excess balance at 30 June 2026 of \$300,000 and is only liable to pay the tax on \$350,000 of earnings.

- This means his tax liability for 2026-27 is:

$$15\% \times \$350,000 = \$52,000$$

s 22

**From:** s 22  
**Sent:** Wednesday, 22 February 2023 10:59 AM  
**To:** s 22  
**Subject:** FW: Super stats for fact check tonight [~~SEC-PROTECTED~~]  
**Attachments:** ex\_1-U3SCE0B-P1.pdf

~~PROTECTED~~

FYI

Kind regards,

s 22 — **Assistant Director**  
Superannuation and Retirement Incomes Unit, Business and Superannuation Tax Analysis Branch  
Tax Analysis Division  
P +s 22

treasury.gov.au  
Langton Crescent, Parkes ACT 2600

~~PROTECTED~~

**From:** s 22 @TREASURY.GOV.AU>  
**Sent:** Wednesday, 22 February 2023 10:45 AM  
**To:** s 22 @TREASURY.GOV.AU>  
**Cc:** Cai, Yi Yong <YiYong.Cai@treasury.gov.au>; Di Marco, Katrina <Katrina.DiMarco@TREASURY.GOV.AU>; s 22 @TREASURY.GOV.AU>; s 22 @TREASURY.GOV.AU>; s 22 @TREASURY.GOV.AU>; Hawkins, Adam <Adam.Hawkins@TREASURY.GOV.AU>  
**Subject:** RE: Super stats for fact check tonight [~~SEC-PROTECTED~~]

~~PROTECTED~~

Hi s 22

See below for the numbers you requested, including the information on number of SMSF accounts with very large balances.



*Number of SMSFs above extremely large balance thresholds (See ATO FOI source data attached)*

	2018-19	2019-20
\$100m	27	32
\$200m	8	7
\$300m	2	2

\$400m	1	1
\$500m	1	0

Let us know if you have any questions.

Cheers,

S

s 47C, s 47E(d)

## SUPER ONE PAGER

### KEY POLICY STATISTICS – all for 2025-26

Estimated tax receipts	Over \$3 billion over 3 years from 2025-26
Super balance threshold	\$3 million
Start date	1 July 2025 [2025-26 financial year]
Balance test date	[30 June 2026]
Additional tax rate	15 per cent (to 30 per cent)
Proportion of population with a super balance impacted	0.4% (2025-26)
Individuals impacted	79,300 (2025-26)
Individuals above preservation age (over 60)	68,000 (86 per cent of total)
Individuals below preservation age (under 60)	11,300 (14 per cent of total)
Proportion of males	60 per cent affected are male
Proportion of females	40 per cent affected are female
Average super balance for those above \$3m threshold	\$5.8 million (2025-26)
Total value of balances impacted	\$456 billion (2025-26)
Total value of balances above \$3m	\$219 billion (2025-26)
Total size of superannuation sector	\$3.8 trillion (2025-26)

### KEY GENERAL SUPERANNUATION STATISTICS

Proportion of population with super balance below \$3 million	99.6% (2025-26)
Average super balance	\$150,000 (2019-20)
Average super balance needed for comfortable retirement (ASFA)	Single: \$545,000 Couple: \$640,000
Transfer balance cap (limit on tax exempt assets in pension phase)	\$1.7 million

### KEY TEIS SUPERANNUATION NUMBERS

Super tax expenditures – total (2022-23)	Around \$50 billion
Top 10 largest tax expenditure in TEIS	Over \$150 billion
Super earnings concessions – share of benefit to top 10%	39%
Super earnings concessions – share of benefit to top 20%	Over 55%

### OTHER STATISTICS

Support for Seniors (2022-23) / Age Pension	\$55 billion
Total tax revenue (2022-23)	\$578 billion

Total tax receipts (2022-23)	\$563 billion
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<b>Balance range</b>	<b>Number of individuals</b>
Less than \$200k	13.8 million
\$50m to \$100m	61
Over \$100m	17

s 22

**From:** s 22  
**Sent:** Monday, 27 February 2023 5:01 PM  
**To:** s 22  
**Cc:** s 22; Brown, Diane; Di Marco, Katrina; Kelly, Lynn; Hawkins, Adam; Cai, Yi Yong; Kennedy, Darren; s 22  
**Subject:** Extra analysis [~~CEC - PROTECTED, CAVEAT - CUI/CABINET~~]

~~PROTECTED//CABINET~~

Hi s 22

Sorry for the delay.

**1. Number of individuals within certain superannuation balance ranges**

Below is the requested information on the number of individuals within certain superannuation balance ranges in 2019-20. As discussed, we were unable to provide more disaggregated groupings above 100m due to small numbers of individuals.

Balance range	Number of individuals
Less than \$200k	13.8m
\$50m to \$100m	61
\$over 100m	17

**2. Percentage of population affected by the policy**

I understand the TO would also like information about percentage of Australians affected by the policy. Please see below:

*In 2025-26, 0.3% of Australians (or 0.4% of Australians aged 18 or over) are projected to be affected by the policy. This means that in 2025-26, 99.7% of Australians are projected to be unaffected by the policy.*

s 22



s 22

**From:** s 22  
**Sent:** Wednesday, 22 February 2023 11:25 AM  
**To:** s 22  
**Cc:** Cai, Yi Yong; Di Marco, Katrina; s 22 Hawkins, Adam  
**Subject:** RE: Super stats for fact check tonight [~~SEC-PROTECTED~~]

~~PROTECTED~~

Hi s 22

Your calculations are correct.

Cheers,

s

~~PROTECTED~~

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**From:** s 22 @TREASURY.GOV.AU>  
**Sent:** Wednesday, 22 February 2023 11:18 AM  
**To:** s 22 @TREASURY.GOV.AU>; s 22 @TREASURY.GOV.AU>  
**Cc:** Cai, Yi Yong <YiYong.Cai@treasury.gov.au>; Di Marco, Katrina <Katrina.DiMarco@TREASURY.GOV.AU>; s 22 @TREASURY.GOV.AU>; s 22 @TREASURY.GOV.AU>; Hawkins, Adam <Adam.Hawkins@TREASURY.GOV.AU>  
**Subject:** RE: Super stats for fact check tonight [~~SEC-PROTECTED~~]

~~PROTECTED~~

Thanks s

Could I check that I've put those into each of the brackets correctly in yellow?

~~PROTECTED~~

---

**From:** s 22 @TREASURY.GOV.AU>  
**Sent:** Wednesday, 22 February 2023 10:45 AM  
**To:** s 22 @TREASURY.GOV.AU>  
**Cc:** Cai, Yi Yong <YiYong.Cai@treasury.gov.au>; Di Marco, Katrina <Katrina.DiMarco@TREASURY.GOV.AU>; s 22 @TREASURY.GOV.AU>; s 22 @TREASURY.GOV.AU>; s 22 @TREASURY.GOV.AU>; Hawkins, Adam <Adam.Hawkins@TREASURY.GOV.AU>  
**Subject:** RE: Super stats for fact check tonight [~~SEC-PROTECTED~~]

~~PROTECTED~~

Hi s 22

See below for the numbers you requested, including the information on number of SMSF accounts with very large balances.

s 47C, s47E(d)



Number of SMSFs above extremely large balance thresholds (See ATO FOI source data attached)

	2018-19	2019-20		2019-20 (in each bracket)
\$100m	27	32	\$100m-	25
			\$200m	
\$200m	8	7	\$200m-	5
			\$300m	
\$300m	2	2	\$300m-	1
			\$400m	
\$400m	1	1	>\$400m	1
\$500m	1	0		

Let us know if you have any questions.

Cheers,

s  
s 22

