TREASURY DISCUSSION PAPER:
Retirement Phase of Superannuation

AMP Ltd. Submission

9 February 2024

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1. INTRODUCTION

AMP welcomes the opportunity to provide comments on Treasury's discussion paper, 'The Retirement Phase of Superannuation'. This paper is timely as Australia's retirement system begins to reach maturity, and AMP looks forward to continuing to play a constructive role in the system's development as it has done since 1849.

Australia's retirement system is a global leader on measures of sophistication, innovation, the size of its asset pool, and its ability to serve the needs of retirees. The Federal Government's support over the past three decades for labour rights, increased home ownership, the pension, and the superannuation system, has resulted in the overwhelming majority of Australians becoming increasingly comfortable in their retirement. However, significant issues remain even as the system reaches maturity.

The primary issue in retirement, particularly in the transition into it, is complexity. Managing issues like integrating income sources, identifying the needs of dependents and partners, anticipating major life changes, interaction with aged care and welfare, and adequately managing longevity and other risks to ensure retirees don't prematurely exhaust their resources, are insurmountable for most Australians doing it alone.

The traditional solution to this problem is expertise in the form of professional financial advice. AMP maintains its strong belief that quality comprehensive advice delivered by a professional adviser will continue to be the most effective and valuable option for retirement planning.

However, this solution raises a secondary problem, that of affordability. Today only a small number of Australians seek professional financial advice due to its higher cost, and this is impacting the way they live their retirement. Of particular concern is that a majority of retirees are underutilising their assets, meaning they are not getting the most out of their retirement savings. This problem is one that undermines the purpose and value of preparing for retirement, and one that needs to be solved.

In this context, AMP believes the priority before industry and government is the implementation of the Quality of Advice Review reforms as outlined by the Government. On the one hand the reforms will make comprehensive advice more efficient and cheaper, and on the other it will leverage the considerable infrastructure of superannuation funds to fill the role of providing simpler, lower-cost advice to those who cannot afford, or will not pay for, comprehensive advice.

These reforms will make the most, and quickest, progress on the dual issue of complexity and affordability of retirement planning.

As government and industry implement the Quality of Advice Review reforms, and allow the benefits to embed, there are other initiatives that would enhance the retirement system. Principle among them is facilitating product innovation. In particular, the types of lifetime products AMP has already developed would specifically target the problem of asset underutilisation and change the way consumers think about retirement.

Importantly, this cannot be accomplished unless the regulatory environment encourages rather than restricts innovation. To that end, proposals such as imposing annual performance testing of retirement products, product standardisation, and default products should be avoided.

Finally, as indicated already, Australia's retirement system is in an enviable position relative to its peers globally. The degree to which the current generation of retirees have the resources to enjoy their retirement comfortably, and to which incoming generations have confidence in their future, is unprecedented. Australia's retirement system is an unrivalled success story.

Yet this story is not shared by all Australians. Some do not have what should otherwise be an equal experience of retirement, and some, usually the most vulnerable, do not experience it at all. As industry and government considers the future of retirement in Australia, it is critical we ensure that it is fair, and that it is for all Australians. AMP's submission outlines these matters in more detail.

We have not responded to each of Treasury's discussion questions, rather we have prioritised them and provided a considered response to the holistic themes. We have also attached a standalone Appendix of proposed technical amendments for Treasury's consideration.

2. THE CONTINUING IMPORTANCE OF ADVICE

2 a) The Role of Comprehensive Advice

Quality comprehensive advice provided by professional financial advisers continues to be the most effective and valuable option for Australians when they come to make decisions about retirement.

Today, however, only a small percentage of individuals seek comprehensive financial advice during their "de-cumulation phase", the period when they reduce work or cease working altogether. What the industry has seen is a resulting underutilisation of retiree assets. This means a majority of Australians are not maximising their retirement to the extent they could be.

The first part of this problem is complexity. Without comprehensive advice, problems such as integrating various income sources, considering partner and dependent needs, anticipating life changes, and managing sequencing risks are difficult to grasp.

The most effective solution to this problem is to seek financial advice. AMP firmly believes in the value of quality comprehensive advice and believes that it will continue to be the best option for those wanting to optimise their retirement.

It is critical, therefore, that the industry consistently delivers high quality comprehensive advice that instils confidence in Australians. To that end, the industry must build on recent progress by continuing to develop the professionalisation Australians expect.

The second part of the problem of under-advised Australians is affordability. AMP commends the recent regulatory proposals that improve affordability. For example, the proposed replacement of the safe-harbour steps for a principles-based approach opens new avenues for delivering advice. This is supported by the proposed introduction of an advice record, which will be specific to subject matter and scope, a client's relevant circumstances, and fees, resulting in clear and concise advice that is easy for clients to understand.

As the best interest requirement will remain, consumers and government can be confident that this reduction in red tape will not reduce the quality of advice.

These examples demonstrate the benefits to be gained by industry and Government working closely together, and it is important that this collaboration continues. Working to strengthen the traditional advice framework by focusing on professionalization and affordability will support good public outcomes by delivering high quality advice to more Australians, and ensuring they get the most out of the retirement they've worked hard for.

2 b) The Role of Advice in Superannuation

AMP recognises the increasing importance and utility of advice provided by superannuation funds. If the problem of retirement planning is complexity and affordability, improved policy settings will allow funds to build on their existing personal advice offering and better serve some of the advice needs of more of those Australians who cannot afford, or are not willing to pay, for comprehensive advice.

Superannuation funds are already well placed to expand their role as a trusted source of guidance to consumers. Today, AMP already offers a range of intra-fund advice services to help educate and guide members to optimise their superannuation savings for better retirement outcomes. Intra-fund advice is delivered over the telephone by qualified Financial Advisers who specialise in retirement planning. Topics include investments, contributions, insurance, transition to retirement and retirement health checks.

By expanding the advice role of superannuation funds, those funds can leverage their infrastructure and their access to millions of retirees and pre-retirees, and more quickly deliver simple advice to those unwilling or unable to purchase comprehensive advice. Moreover, funds providing simple, cheaper advice and tools will undoubtedly encourage engagement with the retirement system and have an impact on financial literacy. The more assistance superannuation funds can provide to demystify retirement planning the better.

Importantly, this expanded role of advice in super must seamlessly integrate with the broader advice ecosystem. It should complement the comprehensive advice offer, face-to-face consultations, digital solutions, and basic educational services already provided by super funds, creating a clear and scalable advice pathway that adapts to consumers' evolving needs.

3. EMPOWERING ADVISERS

3 a) Prioritise Implementation of the QAR Reforms

In light of the challenges Australians face in planning for retirement, AMP encourages the Government and industry to prioritise implementation of the Delivering Better Financial Outcomes package and remaining Quality of Advice Review reforms.

AMP recognises the important work the Government has undertaken to assist the financial advice industry and consumers to ensure more people get quality advice. These reforms will help with the simplification and affordability of advice, encourage people to join the profession, and expand the complementary role that superannuation funds could play in providing advice. This should be the Government and industry's first priority.

Recommendation 1 – Quality of Advice Review

> Government and industry to prioritise the implementation of the Quality of Advice Review reforms as defined by the Government, with particular emphasis on advice affordability and expanding superannuation advice.

3 b) Access to Government Data

AMP believes that the performance of funds and trustees in meeting their Retirement Income Covenant obligations could be greatly enhanced by them having access to relevant government data. With appropriate safeguards in place for both members and funds, this data could assist funds in better understanding the circumstances of individual members or cohorts and in turn inform product suitability and innovation.

Though practical and privacy barriers do exist, the sharing of some of this data could significantly improve the ability of trustees to prepare for members' retirement and meet their Retirement Income Covenant obligations. Data might include:

- Total super balance
- Marital status
- Home ownership status
- Age pension status (full pension, part pension or ineligible)
- Age pension amount and dominant means test (asset or income)
- Assessable assets and income
- Up-to-date contact information

The FSC has outlined in its submission a number of positions and recommendations in relation to the Consumer Data Right. AMP is broadly supportive of the idea of super funds becoming Authorised Data Recipients. However, we would highlight the need for government to consult industry on identifying the best approach to the provision of government-held data.

Recommendation 2 – Government Data

Government to provide access to relevant Government held data to empower advisers and superannuation funds to provide better quality financial advice.

3 c) Centrelink Agents

The retirement system interacts heavily with other services provided by government, for example with Centrelink, healthcare, aged care, the pension, tax, and others. Navigating these can be particularly cumbersome for retirees. As such, AMP proposes that a superannuation fund or financial adviser can be nominated as a person's Centrelink agent, in a similar manner that an accountant can be nominated as a tax-agent.

Advisers and funds are well-placed to take on this role given their considerable understanding of the how the system interacts.

This proposal would allow for the fund or adviser, with consent from the member, to assist in the following ways:

- reduce the cost of advice by removing the need for additional data requests from the member in order to provide personal advice;
- utilise age pension application data to better provide retirement forecasts;
- improve advice delivery;
- apply for the Age Pension; and
- receive Centrelink communications and assist the member in responding where required.

Further, ideally a wholesale digital interface platform would be established to assist in delivering this service. This service would be a digital platform to enable the appropriate process automation for delivering an enhanced member experience. That experience needs to guarantee real-time end-to-end visibility through a digital front end, reporting, analytics, and an intuitive way of managing it (through a dashboard view) to boost operational visibility and connectivity between Government and superannuation fund databases. It would include appropriate data sharing with the fund or adviser, such as assessable income, tax, super contributions, caps, transfer balances, age pension payment amounts and means testing assessments.

Recommendation 3 – Centrelink Agents

AMP proposes that a superannuation fund or financial adviser can be nominated as a person's Centrelink agent, in a similar manner that an accountant can be nominated as a tax-agent.

Recommendation 4 – A Wholesale Digital Interface Platform

Government establish a wholesale digital interface platform to assist financial advisers and superannuation funds to act as Centrelink Agents for members

3 d) Advice Co-Contributions

As outlined above, one of the key problems in retirement is advice affordability. AMP considers, given the importance of making sound decisions in the transition from the accumulation phase to the retirement phase, the Government should provide assistance to those on low incomes to seek advice.

Accordingly, AMP proposes the Government introduce an Advice Co-Contribution Scheme, subsidising the cost of advice by paying a rebate to consumers who pay a direct fee, out of their own pocket, for holistic retirement advice.

The advice would generally be expected to come from independent financial advisers, though superannuation funds may also wish to provide the advice where a fee is directly levied on the member.

The co-contribution would be means tested to target individuals who can least afford personal advice.

The scope of this retirement advice would generally be greater than current intra-fund services, including super consolidation, investments outside superannuation such as investment properties and shares, partner/spouse considerations, debt management, aged care and spouse Centrelink considerations.

We suggest that a rebate scheme would be superior to a centralised free advice service such as the UK's Pension Wise service for the following reasons:

- It would likely cost less to administer than to establish a new centralised service;
- It supports member choice in the provision of advice;
- It will facilitate more holistic advice than a centralised service can provide, thus better meeting member needs and improving retirement outcomes.

We do not suggest that the size of the rebate need be sufficient to pay for the full cost of holistic financial advice in all circumstances, but that it might be sufficient to pay most of the costs of holistic advice for superannuation fund members with simple circumstances e.g. a super balance, a spouse, a mortgage on a family home and no other significant complexities.

Recommendation 5 – Advice Co-Contribution

> The Government introduce an Advice Co-Contribution Scheme to target advice affordability for individuals transitioning to retirement.

3 e) Superannuation Contribution Caps

With the transfer balance cap limiting amounts invested in superannuation income streams and upcoming reforms levying additional tax on super balances above $3 million, the need for periodic caps is reduced.

There is significant complexity in the requirements of annual caps including concessional and non-concessional distinctions, catch-up rules and the various penalties for breaching different caps. Simplifying periodic caps could be done in a number of ways, including eliminating all annual caps for members with a total super balance less than the current transfer balance cap. Simplifying periodic caps would have the following benefits:

- Removal of significant complexity;
- greater support for individuals with interrupted work patterns, particularly women who take time out of the workforce to raise children and self-employed workers including those in the gig economy; and
- greater flexibility in retirement planning while still restricting inappropriate access to unreasonable tax concessions (e.g. by maintaining restrictions for members who already have high balances).

Recommendation 6 – Superannuation Contribution Caps

Once the Better Targeted Super Concessions Bill is legislated, Government should conduct a holistic review of superannuation contribution caps with a view to simplification.

4. LIFETIME PRODUCTS

There are four crucial pillars as sources of retirement income – lifetime income, flexible income, age pension and income from other investments including home equity.

AMP places critical importance on the value of lifetime income, because without it, we do not believe we can successfully achieve the prescribed objectives of the Retirement Income Covenant. It is self-evident that a source of lifetime income satisfies the second objective - overcoming risks to the stability and sustainability of income. However, it is not as widely understood that a lifetime income source is also crucial to achieving the first (and in our opinion most important) objective – maximising income. Only when members overcome the fear of running out of money do they have the confidence to draw down capital instead of simply spending investment earnings, and most Australians will need to draw down capital to afford a comfortable retirement (as demonstrated by the Retirement Income Review).

AMP's experience thus far with our MyNorth Lifetime suite amply demonstrates this principle. Retirees who have commenced these solutions have increased their incomes by around 50% on average, and the majority no longer draw the minimum from the amounts remaining in their account-based pensions. On average, these retirees allocate 50% of their super to both an account-based pension and our Lifetime Income account, thus achieving prescribed objective number three – maintaining flexible access to capital.

Growth in lifetime income solutions is accelerating, and industry hopes to see policy settings that continue to enable them. However, a commonly reported barrier to acquisition is the fear of legislative change. As such, industry would be encouraged if Government were to provide greater certainty to members acquiring and considering these solutions by clearly stating an intention to grandfather any future legislative changes.

Recommendation 7 – Support for Lifetime Products

The Government should maintain supportive policy settings for lifetime products and clearly state an intention to grandfather any future legislative changes.

5. REGULATORY FRAMEWORK

As indicated earlier, regulatory settings in the retirement space should be calibrated to promote innovation. Outlined below are some concerns AMP has about particular proposals that we think may act to stifle innovation.

5 a) Default and Standardised Retirement Products

In light of the inherent complexity of a superannuation member's needs in the retirement phase, AMP does not support hard-default retirement products i.e. the commencement of an income stream to a member without their explicit consent or even awareness. Compared to the accumulation phase, members' needs in retirement are far less homogenous, which means that a one-size-fits-all default retirement product is not appropriate and may be counterproductive.

Default retirement products may cause the following issues:

- Superannuation funds have a limited ability to identify if members want or need the retirement income. For example, they may not have retired yet, they may be drawing income from another fund or from assets outside of super, or they may be supported by a spouse.

- Funds have no practical ability to pay income to a member – most members have not passed Know Your Customer identity checks and funds often do not have their bank account details.

- There is potential for financial harm. It is possible that unneeded funds that are removed from super can't be contributed back, and capital allocated to lifetime income streams will be restricted under the Capital Access Schedule.

Hard-default retirement products should only be progressed if the following obstacles can be overcome:

- Identification of members who need retirement income: this may be achieved if the ATO or DSS advises funds that members have commenced receiving the age pension – and perhaps only those who receive the full age pension.

- A fund's ability to pay income: if the ATO and DSS also provide a mechanism for funds to make income payments to members (e.g. by providing bank account details or by on-forwarding payments made through a portal).

- Reducing the risk of financial harm: if members are hard-defaulted into retirement products, they should have the ability to wind back any changes within a reasonably long cooling off period (e.g. 12 months).

- Any hard defaulting into retirement products should follow a number of mandatory communication attempts (e.g. 90-day and 30-day warning letters).

- It is essential that future legislation permitting hard defaults in retirement is product neutral to allow trustees to utilise a solution that aligns with their Retirement Income Strategies. For example, this might include different defaults for different cohorts.

AMP agrees with the FSC's position that, while there may be a case for placing members into a default retirement product where those members are 'totally disengaged', nonetheless the risks to members and funds involved in such a default would be difficult to overcome.

Similarly, we do not support a prescribed standardised retirement product for retirees, as one size can never fit all – Trustees must be free to develop solutions for their members (or cohorts of their members) to align with their Retirement Income Strategies. Further, a standardised prescribed product would likely constrain innovation. Retirees may perceive a prescribed product as being government-sanctioned (in the same way as they view minimum drawdown rates) and may therefore inappropriately anchor their perceptions and preferences.

Recommendation 8 – Hard-Default and Standardised Retirement Products

The Government not pursue hard-default or prescribed standardised retirement products.

5 b) Annual Performance Testing and Comparison of Retirement Products

AMP does not support the extension to retirement products of the Your Future, Your Super Annual Performance Test. Many of the concerns industry raised in the past about the extension of the performance test to Choice products would also be relevant in the test's application to retirement products, and these should again be given consideration.

Across industry, and between members, retirement products are inherently dissimilar, lacking a sufficient basis of comparison that a performance test would require. Isolating single metrics, for example investment performance, would ignore the other benefits retirement products may variously provide to members, for example mitigating idiosyncratic longevity risk, mitigating systemic longevity risk, mitigating inflation or investment risks, funding aged care or providing reversionary benefits.

Further, as the Government is interested in seeing more innovation in the retirement product market, it is worth highlighting our experience of the performance test's application to MySuper, which has shown that the test stifles innovation, and in many cases pressures funds into developing products that hug the benchmark.

Applying a performance test along the lines of the existing one to retirement products would not provide members with a useful indication of the value of their product, nor of its suitability to their personal needs. Further, it would also not provide the regulator with a useful measurement of the public good of the retirement product market.

Similarly, AMP warns against unintended outcomes from implementing standardised dashboards or comparison tools, as these may also constrain innovation or mislead consumers by over-simplifying what are complex and heterogenous solutions.

Recommendation 9 – Annual Performance Testing and Comparison of Retirement Products

The Government not apply an annual performance test or a standardised dashboard comparison regime to retirement products.

5 c) Means Test Simplification

A significant area of current complexity is the means-testing regime for age pension and aged care eligibility. Australia has a relatively complex system compared to other counties, and consumers and advisers often highlight the difficulty in understanding the various rules. A single means test incorporating both income and assets (used for age pension, aged care and other relevant regimes) would significantly simplify retirement decision-making and would reduce the advice gap (retirees who need but cannot access financial advice). An asset-based test would be the easiest for consumers to understand.

Recommendation 10 – Simplify Means Testing

The Government consider simplifying means-testing to single test to determine eligibility for the age pension and aged care.

6. FINANCIAL INCLUSION: RETIREMENT FOR ALL AUSTRALIANS

Australia's retirement system is a global leader on measures of sophistication, innovation, and size of its asset pool. The Federal Government's support over the past three decades of workers' rights, increased home ownership, the pension, and the superannuation system, has resulted in a majority of Australians becoming increasingly comfortable in their retirement. However, there remain parts of Australian society that are under-served by the retirement system, and for whom retirement is not comfortable, or in some cases even attainable. AMP believes that, as the system reaches maturity and closer consideration is being given to the future of retirement, industry and government should ensure that those gaps in the system are remedied.

The Retirement Income Review found that complexity, misconception and low financial literacy have resulted in people not adequately planning for their retirement or making the most of their assets when in retirement.[1] Low financial literacy acts as a barrier to engagement with superannuation and contributes to conservative drawdown behaviour leading to lower standards of living in retirement. It also contributes to retirees being impacted by financial abuse and investment scams. Lower levels of financial literacy is a key factor contributing to lower retirement incomes for women, First Nations peoples and people with lower levels of income and assets.[2]

[1] *Retirement Income Review Final Report*, July 2020, page 17; *ANZ Survey of Adult Financial Literacy in Australia,* May 2015, 12.
[2] *Retirement Income Review Final Report*, July 2020, 266, 337.

Improving financial literacy is critical to improve retirement outcomes for all Australians, and importantly, to enable greater financial empowerment for women and reduce financial exclusion for First Nations Peoples and communities. Increasing financial literacy among female retirees would also reduce opportunities for elder financial abuse.[3]

Programs aimed at improving financial literacy solely through education have however had limited success.[4] We consider, and the Retirement Income Review agreed,[5] that providing financial advice and guidance is more likely to improve decision-making and retirement outcomes. Research suggests that an increased presence of financial advisers would also boost financial literacy in communities resulting in lower levels of financial crime.[6] AMP's earlier recommendation to implement the Quality of Advice Review will also provide some assistance here.

Providing more retirees with better access to education, information, guidance and affordable financial advice through a range of channels will assist in improving financial literacy, financial inclusion and confidence, empowering retirees to better manage the complex financial decisions, like which retirement products to use and how much to drawdown, and emotional challenges, such as a fear of running out, they face as they prepare for retirement.

Research shows there is also value in tailoring financial education materials to suit the audience.[7] Specific focus is required to develop solutions targeted at improving financial literacy, accessibility and inclusion for specific consumer cohorts including women and First Nations Peoples.

A collaborative effort from industry and government is required to achieve this however some areas which would benefit from immediate attention include:

- Expanding the ability for super providers and other providers to provide more advice, guidance and information to retirees to by implementing the Quality of Advice Review.

- Providing clarity to super providers about their ability to engage with members and provide information and guidance to nudge them, without breaching personal advice or anti-hawking requirements, to take appropriate actions in preparation for and throughout retirement.

- Reviewing and updating the current National Financial Literacy Strategy to ensure it remains fit for purpose and includes clear deliverables for improving financial literacy, particularly for women, First Nations Peoples and retirees.

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[3] *National Elder Abuse Prevalence Study: Final Report*, Australian Institute of Family Studies, July 2021, 171.
[4] *Retirement Income Review Final Report*, July 2020, 448.
[5] *Retirement Income Review Final Report*, July 2020, 448.
[6] *Unsung Guardians? Communal Fraud Susceptibility and complaints Following Mass Financial Adviser Attritions*, UNSW Business School.
[7] *ANZ Survey of Adult Financial Literacy in Australia,* May 2015, 7.

Providing support to progress and develop existing initiatives and undertakings seeking to improve financial literacy, accessibility, and financial inclusion such as ASIC's Indigenous Financial Services Framework and First Nations Foundation financial education programs.

Recommendation 11

> Future retirement policy should be developed with a view to improving financial literacy, accessibility, and financial inclusion, with a particular focus on First Nations.

APPENDIX – Proposed Technical Amendments

Issue	Description	Proposed resolution
1. Forced retirement phase for deferred income streams	Clients who hold a deferred income stream in accumulation phase who subsequently meet a condition of release are required to have the income stream transition to retirement phase. This has a benefit of tax-free investment earnings, but at cost of the imposition of the Capital Access Schedule (CAS). It creates an issue for clients who plan to retiree at age 67 (the most common age - aligned to age pension eligibility) because they are forced to enter retirement phase before they have retired – and therefore forced to make binding retirement decisions before they may wish to. This is inconsistent with ordinary super, whereby members are not forced to transition accumulation accounts to retirement phase even though they may have met a condition of release. It also unnecessarily costs tax-payers who support tax-free income streams before they are desired.	AMP proposes that the definition of the retirement phase start date for lifetime income streams be amended to allow members to hold a deferred income stream in accumulation phase till at least age-pension age. This might be accomplished by stipulating that the retirement phase commences after meeting a condition of release and upon request by the member or upon commencement of income payments, perhaps with a maximum of age-pension age.
2. Retirement forecasts cannot accommodate lifetime products	Current regulatory guides and relief relating to retirement forecasts are overly restrictive. For example, retirement estimates on annual statements cannot accommodate lifetime income solutions and this conflicts with AMP's understanding of our obligations under the Retirement Income Covenant. Similarly, retirement calculators that include a specific lifetime income product are at risk of breaching requirements regarding advertising or promoting specific products. However, trustees would arguably be negligent if they released such products without providing product-specific calculators to assist their members in understanding and selecting these new products.	Provide greater flexibility in the provision of retirement forecast and calculators to allow trustees to align forecasts with their Retirement Income Strategies.
3. Capital Access Schedule for couples	The CAS is based on the life expectancy of the primary beneficiary, but lifetime income rates will invariably be calculated on the longest (or combined) life expectancy of both spouses	Amendment to the definition of life expectancy period in SISR 1.03 to be based on the spouse with the longest life expectancy.
4. Capital Access Schedule for variable income products	In experience-based innovative retirement income stream (IRIS) products, an otherwise compliant money-back death benefit may breach the CAS if investment or mortality experience has been unfavourable – consumers would benefit from greater certainty in these cases	Amendment to SISR 1.06A (3)(d) to stipulate that the <u>*expected*</u> commutation amount cannot breach the CAS.
5. Compounding commutations	During the accumulation phase, the purchase amounts of deferred lifetime	Compounding the value of commutations annually in the

from deferred income streams	income streams are compounded annually by the upper deeming rate, yet the value of any commutations is not similarly compounded. This can create significant member disadvantage if large commutations occur early from a deferred income stream, as the total purchase amount (including the value of the commutations which are no longer part of the income stream) can grow significantly over a long period of time such that the final purchase amount (after finally deducting the uncompounded value of any commutations) can be much larger than the actual value of income stream at retirement (as measured by the access amount, account balance or transfer balance credit).	same manner as purchase amounts will remove this inequity.