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Dear Sir or Madam

**Treasury Laws Amendment (2017 Measures No. 2) Bill 2017: superannuation reform package amending provisions – structured settlements and orders for personal injury**

AMP welcomes the opportunity to provide comment in relation to the above Bill, to give effect to amendments to resolve issues identified with the Treasury Law Amendment (Fair and Sustainable Superannuation) Act 2016 and the Superannuation (Excess Transfer Balance Tax) Imposition Act 2016.

We are supportive of the amendments recommended in the FSC submission in relation to this Bill which include an amendment for those who have received a structured settlement or order for personal injury into their superannuation account to be exempt from the Transfer Balance Cap.

We note that the Treasurer confirmed the following in a letter last year to Mr Greg Phelps, National President of the Australian Lawyers Alliance:

*"I am pleased to confirm that the Government's superannuation reforms will exempt those who have received structured settlements or orders for personal injuries from the transfer balance cap."*

Our interpretation of the Treasury Law Amendment (Fair and Sustainable Superannuation) Act 2016 is that retirement income streams that commence with or include a structured settlement contribution from 1 July 2017 will be exempt from the Transfer Balance Cap. For those that have already commenced or will commence prior to 1 July 2017, however, the initial contribution is exempt from the Transfer Balance Cap but the earnings on that contribution amount will be counted towards the Transfer Balance Cap. As this treatment is not consistent with the Treasurer's intention, we propose the following amendment to be included in the above Bill, which has also been included in the FSC submission:

**Section 294-80(1) (table item 2)**

Repeal the item, substitute:

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2	a * structured settlement contribution is made in respect of you	the amount of the contribution or, if the contribution was made before 1 July 2017, the * value, just before 1 July 2017, of the * superannuation interest that is attributable to the contribution that supports the superannuation income stream	at the later of: (a) the time the contribution is made; and (b) the start of the day you first start to have a * transfer balance account
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We believe this amendment will provide clarity to superannuation members who have received structured settlements or orders for personal injury prior to 1 July 2017, exempting them from the Transfer Balance Cap and therefore ensure treatment consistent with the Treasurer's intention.

Should you require further information, please do not hesitate to contact me on 0412 437 315.

Yours faithfully



Alastair Kinloch