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| **EXPOSURE DRAFT** |

Inserts for

Treasury Laws Amendment Instrument 2024: Better Targeted Superannuation Concessions

| Commencement information |
| --- |
| 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 *Treasury Laws Amendment (Better Targeted Superannuation Concessions and Other Measures) Act 2023* 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 *Treasury Laws Amendment (Better Targeted Superannuation Concessions and Other Measures) Act 2023* 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. |  |

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

 (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)”.

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)”.

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.

 (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:

 (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

 (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

 (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.

 (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.

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:

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.

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 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:

 

 (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:



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 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:



 (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”.

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”.

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.

| Voluntary exit rates |
| --- |
| Item | Column 1Age in years | Column 2Exit rate |
| 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 |
| 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.

| Voluntary exit rates |
| --- |
| Item | Column 1Age in years | Column 2Exit rate |
| 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 |
| 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 |

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:

| Pensioner mortality (qx) rates |
| --- |
| Item | Column 1Age in years | Column 2qx (male) | Column 3qx (female) |
| 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 |
| 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 |
| 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.

| Voluntary exit rates |
| --- |
| Item | Column 1Age in years | Column 2Exit rate |
| 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 |
| 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.

| Voluntary exit rates |
| --- |
| Item | Column 1Age in years | Column 2Exit rate |
| 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 |
| 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 |

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:

| Pensioner mortality (qx) rates |
| --- |
| Item | Column 1Age in years | Column 2qx (male) | Column 3qx (female) |
| 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 |
| 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 |
| 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;

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;

 (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.