

# EXPOSURE DRAFT

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Inserts for

**Treasury Laws Amendment Instrument 2024:  
Successor fund transfers and capped defined  
benefit income streams**

*[Commencement: day after registration]*

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## Schedule 1—Amendments

### *Income Tax Assessment (1997 Act) Regulations 2021*

#### **1 At the end of Subdivision 294-B**

Add:

#### **294-25.03 Credit in transfer balance account—capped defined benefit income streams: transfers to successor funds**

- (1) For the purposes of item 5 of the table in subsection 294-25(1) of the Act, a transfer balance credit arises under this section in your transfer balance account if you start to be the retirement phase recipient of a capped defined benefit income stream (the *new stream*) in the following circumstances:
  - (a) the new stream arises as a direct result of the payment of an involuntary roll-over superannuation benefit to a successor fund by a fund that provided a capped defined benefit income stream (the *old stream*);
  - (b) you were a retirement phase recipient of the old stream immediately before the transfer;
  - (c) as part of the transfer, all superannuation income stream benefits cease to be payable from the old stream;
  - (d) because all superannuation income stream benefits cease to be payable from the old stream, the old stream stops being a superannuation income stream that is in the retirement phase;
  - (e) because the old stream stops being a superannuation income stream that is in the retirement phase, a transfer balance debit arises in your transfer balance account under item 6 of the table in subsection 294-80(1) of the Act in respect of the old stream.
- (2) The amount of the credit is the amount of the transfer balance debit mentioned in paragraph (1)(e).
- (3) The credit arises on the day you start to be the retirement phase recipient of the new stream.
- (4) For the purposes of subsection 294-25(3) of the Act, item 2 of the table in subsection 294-25(1) of the Act does not apply to a superannuation income stream if a transfer balance credit arises under this section in respect of the superannuation income stream.

#### **2 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**

Section 294-25.03 applies if:

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- (a) you start to be the retirement phase recipient of the new stream on or after the commencement of this section; or
- (b) both:
  - (i) you started to be the retirement phase recipient of the new stream on or after 1 July 2017 and before the commencement of this section; and
  - (ii) the amount of the transfer balance debit referred to in paragraph 294-25.03(1)(e) is less than the special value, on the day you start to be the retirement phase recipient of the new stream, of the new stream.