

Senate Economics Legislation Committee
ANSWERS TO QUESTIONS ON NOTICE

Treasury Portfolio

Budget Estimates

2016 - 2017

Department/Agency: Treasury

Question: BET314

Topic: Retirement Income Balance over \$1.6 million

Reference: Hansard page No. 50 - 6 May 2016

Senator: Jenny McAllister

Question:

"Senator McALLISTER: I think that would be useful. The measure is very clearly being sold as a measure to benefit women. I am interested to know how many women are in a position to put in even \$25,000, let alone more, particularly if they are a person who is experiencing interrupted work patterns. I would be very interested to understand whether your analysis produces a large number of women in that position. Can I ask about the \$1.6 million cap. You may have already answered this morning—sorry, I did not note it down—but how many Australians have retirement income balances of over \$1.6 million?"

Ms J Wilkinson: We expect that less than one per cent would be affected by this measure.

Senator McALLISTER: What proportion of those are in the accumulation phase and what proportion are in the drawdown phase?

Ms J Wilkinson: I do not have that breakdown with me. I am happy to take that on notice."

Answer:

In 2017-18, less than 1 per cent of fund members are expected to be affected by the \$1.6 million transfer balance cap.

Our latest available data indicates that in 2013-14 around 40 per cent of individuals with balance above \$1.6 million had only accumulation phase accounts, 47 per cent had only pension phase accounts, and 13 per cent had accounts in both the pension and accumulation phase.