



**Australian Government**

**Australian Taxation Office**

# Auto-Consolidation of Superannuation Accounts

Options and issues to inform administrative design process to support auto-consolidation.

# Background

**21 Sept 2011** - Government announced new processes for locating and consolidating multiple member accounts. **From January 2014 lost and inactive accounts with balances under \$1,000, and accounts in Eligible Rollover Funds (ERFs),** would be consolidated into the member's current active account (unless the member opts out).

The Stronger Super Information Pack outlined the following approach to auto-consolidation:

- Auto-consolidation of lost and inactive accounts (two years without contributions or rollover) will apply to balances of less than \$1,000 and accounts in eligible rollover funds.
- The process will be initiated by the ATO and conducted annually.
- The ATO will identify relevant accounts and advise the active fund (Fund A), who will then be responsible for arranging consolidation unless the member opts out.
- Fund A will have a prescribed time to write to the member advising them that if they do not 'opt out' then Fund A will write to the other funds and commence the auto-consolidation process.
- The member will be advised that there may be insurance cover in the other funds and they should consider this and other relevant information before making any decision.
- The member will have the prescribed time to advise Fund A if they do not want the accounts consolidated. If the member does not 'opt out' the current fund will then commence the consolidation process by advising the other funds which will have a prescribed period to process the consolidation.
- In the latter half of 2014 the threshold for auto-consolidation of lost and inactive accounts will be increased to at least \$10,000, subject to a review of the threshold by the Treasury, ATO and APRA

# Discussion Points

Impacts, Implications and Concerns for design & implementation options...

