

Senate Standing Committee on Economics

ANSWERS TO QUESTIONS ON NOTICE

Treasury Portfolio

Budget Estimates, 2 June – 4 June 2009

Question: bet 132

Topic: Temporary Residents' Unclaimed Superannuation

Hansard Page: Written

Senator Bushby asked:

1. How will the claiming back of temporary residents' unclaimed super fit in line with the 09-10 Budget's announced Trans-Tasman retirement savings portability scheme? Will it mean that New Zealand temporary residents are excluded from having their unclaimed super held by the ATO?

Answer:

Under the temporary residents' superannuation measure, temporary residents who depart Australia are able to take their superannuation with them as a departing Australia superannuation payment.

The superannuation of temporary residents will become unclaimed and payable to the Commissioner of Taxation if an individual ceases to hold a temporary visa, has left Australia and at least six months have passed, and they have not claimed their superannuation from their superannuation fund.

Consistent with the principle that tax concessions are primarily designed to support the retirement of Australian citizens and permanent residents, and those who have an option of retiring in Australia, the superannuation of New Zealand citizens will remain in their Australian superannuation fund.

Consequently, the Australian superannuation of New Zealand citizens will not be paid to unclaimed money under the temporary resident measure.

However, in a separate measure, the Government announced in the 2009-10 Budget that it will require Australian superannuation providers to pay all small and insoluble accounts to unclaimed monies, with effect from the 2010-11 financial year. This may include the Australian superannuation of New Zealand citizens.

Former holders of these accounts will be able to reclaim their monies from the Commissioner. Depending on the circumstances, the Commissioner may make payments to the individual or to an Australian complying superannuation provider.

The memorandum of understanding on trans-Tasman retirement savings portability signed by the Treasurer on 16 July 2009, lays the foundation for a scheme which will permit transfers of superannuation savings between certain Australian complying superannuation funds and New Zealand KiwiSaver funds.

Currently, members of Australian superannuation funds (including New Zealanders) may only transfer their retirement savings within the Australian superannuation system.