

FINANCIAL SERVICES FORUM – EXPANDING OUR HORIZONS

11 - 12 MAY 2006

SYDNEY, AUSTRALIA

SYNOPSIS

CURRENT HOT TOPICS IN SUPER

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This session will deal with current hot topics in superannuation, in particular:

- contribution splitting
- transition to retirement
- benefit calculators

It also provides a forum for discussion on other topical issues participants may wish to raise.

Contribution splitting

Contribution splitting allows members of superannuation funds to split their future superannuation contributions between themselves and their spouse – so family income splitting has come to super! The ability to split contributions has generated considerable press, and interest from superannuation members. There are a number of matters trustees should consider in introducing contribution splitting and, currently members of defined benefit funds are excluded from splitting their defined benefit entitlements. This section of the session will cover matters such as:

- implementation issues with contribution splitting for accumulation interests
- pros and cons of implementing a contribution split
- can anything be done for defined benefit members?

Transition to retirement

Transition to Retirement allows members of superannuation funds who have reached preservation age to commence a “non-commutable” pension even though they are still working. This option is also receiving much attention in the press, particularly in conjunction with contribution splitting. Again, trustees need to consider a number of issues in determining what should be made available to members. This section of the session will cover matters such as:

- implementation issues
- special issues for defined benefit members
- pros and cons of taking a transition to retirement pension
- implications for employers.

Benefit calculators

This session will discuss what guidance (if any) should be provided to Actuaries who are asked to sign-off on default assumptions for benefit calculators following ASIC's recent class order [CO 05/1122]. This provided exemption from certain licensing requirements for financial calculators that complied with certain conditions. One of the conditions is that the default assumptions be reasonable. In the Regulation Impact Statement, ASIC envisages that, to comply with this condition, providers of calculators will incur costs, including "hiring actuaries, or other suitable professionals, to check the reasonableness of the default assumptions used by the calculator".