

Senate Standing Committee on Economics

ANSWERS TO QUESTIONS ON NOTICE

Treasury Portfolio

Additional Estimates

16 February 2012

Question No: AET 11

Topic: Lost superannuation – less than \$200 measure, temporary residents accounts

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Senator SHERRY: Thanks. Going to the less than \$200 measure: for what year did you get what amount of revenue when the measure was first introduced?

Mr Peterson: I am hunting for the information.

Senator SHERRY: What has been the revenue for each financial year? The measure has only just come in, in 2010-11.

Mr Peterson: I cannot give you the breakdown. I would need to go and do the arithmetic. I can tell you that at 30 June 2010 the ATO was holding \$323 million, and \$403 million at 30 June 2011.

Senator SHERRY: Just take it on notice. They are separate measures: There is the less than \$200 lost accounts and then there is the temporary residents accounts. If you can get me just the figures for each year that have been collected from the measures. The first year would have seen a much larger collection than subsequent years because you already had a bank or pool. **Mr Peterson:** That is absolutely right; that has been the pattern.

Answer:

Small and insoluble lost member accounts

The legislation requiring super funds to transfer 'small' and 'insoluble' lost member accounts as unclaimed super money took effect on 1 July 2010. The legislation includes accounts that meet the following criteria:

A lost member account of a fund is taken to be unclaimed super if it does not relate to a defined benefit interest and:

- the balance of the lost member account is less than \$200 (*small lost member account*), or
- the lost member account has been inactive for a period of five years and the provider is satisfied that it will never be possible to pay an amount to the member (*insoluble lost member account*).

The table below displays the amounts collected by financial year since this measure came into effect:

Unclaimed super money collections	2010-11 \$ million	2011-12 (to 31 Dec 2011) \$ million
Small and insoluble lost member accounts	184.2	26

Temporary resident accounts

The legislation requiring super funds to transfer former temporary resident accounts as unclaimed super money to the ATO took effect on 1 April 2009. The legislation includes accounts that meet the following criteria:

An amount payable to a former temporary resident of a fund is taken to be unclaimed super if:

- the member held a temporary visa that has expired or been cancelled and six months has passed since the visa ceased to be in effect or the member left Australia
- the member is not currently the holder of a temporary, permanent or prescribed visa, and
- the member is neither an Australian citizen, a New Zealand citizen or applied for a permanent visa.

The table below displays the amounts collected by financial year since this measure came into effect:

Unclaimed super money collections	2008-09 \$ million	2009-10 \$ million	2010-11 \$ million	2011-12 (to 31 Dec 2011) \$ million
Former temporary residents	171.7	151.4	125.3	42.4

Unclaimed superannuation

It should be noted that unclaimed super money held by the ATO can be, and is, claimed and paid out to the account owners. The table below displays the gross value and number of claims paid out to account owners, by financial year, since commencement:

Unclaimed super money collections by category	2008-09		2009-10		2010-11		FY 2011-12 (to 31 Dec 2011)		Total (by category)	
	\$m	No. of claims	\$m	No. of claims	\$m	No of claims	\$m	No. of claims	\$m	No. of claims
Former temporary residents	0.05	4	15.7	2,336	28.8	4,618	11.7	5,772	56.2	12,730
Small and insoluble lost member accounts	N/A	N/A	N/A	N/A	0.1	1,119	0.1	1,295	0.2	2,414
TOTAL (by year)	0.05	4	15.7	2,336	28.9	5,737	11.8	7,067	56.4	15,144