

ASIC relief granted – temporary resident exit statements

22 June 2009

ASIC has agreed to provide superannuation funds with a Class Order giving ongoing relief from the statutory obligation to provide an exit statement to fund members whose benefits are compulsorily transferred to the ATO.

Following changes to unclaimed money for temporary residents, if a member:

- ↳ left Australia 6 months ago;
- ↳ no longer holds a current temporary resident visa; and
- ↳ hasn't claimed his or her superannuation benefits;

the Australian Taxation Office (ATO) will send a written notice to the superannuation fund to inform them when they need to transfer the temporary resident's benefits to them.

Following ASFA's lobbying on behalf of the superannuation industry, ASIC has advised ASFA that it has agreed to provide superannuation funds with a Class Order giving ongoing relief from the statutory obligation to provide an exit statement to fund members whose benefits are compulsorily transferred to the ATO.

This new measure is very likely to benefit all funds, and their members, through an ongoing reduction in administration costs.

Background

Under section 1017D of the Corporations Act, superannuation funds must issue a periodic statement (exit statement) to a member whose benefits are withdrawn from the fund.

ASFA indicated that it has argued strongly in its Application for Relief that the clear intention of Parliament is that the account balances of departed temporary residents be treated as unclaimed and accordingly, the provisions currently applying to unclaimed monies transferred to the ATO should also apply to these payments.

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Conditions of relief

The relief is provided subject to trustees advising in their PDS, Annual Report and prominently on their website (if a website is maintained):

- ↘ The circumstances in which temporary residents' superannuation interests will be transferred to the ATO, and
- ↘ That trustees are relying on the relief and will therefore not provide temporary residents with an exit statement (where their interest is transferred to the ATO).

Additionally, where contacted by such a member after the interest is transferred to the ATO, the trustee must provide the person with information about the payment that will allow them to apply to the ATO to claim their interest.

Source:

The Association of Superannuation Funds of Australia, ASFA Action Issue 364, ASIC relief granted – exit statements to temporary residents, 6 June 2009.

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