

CORPORATE SUPER ASSOCIATION

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Mr Nigel Murray
Superannuation Unit
The Treasury
Langton Crescent
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By e-mail to supersplitting@treasury.gov.au

Dear Mr Murray

REVISED DRAFT SUPERANNUATION CONTRIBUTIONS SPLITTING REGULATIONS

We refer to the revised draft regulations issued for public comment on 22 November 2005.

We are generally supportive of the changes introduced since the previous draft. There is one matter which has been raised by a number of our members, which requires clarification.

In the previous draft regulations issued on 12 October 2005, proposed Regulation 6.41 appeared to deny the opportunity to offer a contribution split to a member with a defined benefit interest, other than a member whose defined benefit interest did not include a defined benefit component (as defined at reg 6.31). This meant that additional voluntary member contributions held in an accumulation account within a defined benefit scheme, could not be split.

We welcome the proposed change by way of proposed Regulation 6.43(1)(b) which would permit splitting of a defined benefit interest that is not a defined benefit component. We believe that this regulation would now permit splitting of member additional voluntary contributions to a defined benefit scheme. However, we note that the Explanatory Material, as amended, is not entirely clear and could be interpreted as meaning (as before) that only a defined benefit interest that contains no defined benefit component can be split. We would welcome clarification of this point in the Explanatory Material.

Yours sincerely

Elizabeth Goddard
Research Officer

