

**OVERVIEW**

During the 2011–12 financial year:

- the lost members register reduced significantly, with the number of lost accounts decreasing by 32% and the total value of lost accounts decreasing by 17%
- the number of self-managed super funds grew by 8.0%, while the total value of assets held by these funds grew by an estimated 3.7%
- there were approximately 1.04 million co-contribution entitlements determined and paid, totalling \$602 million.

**INTRODUCTION**

Superannuation (super) is a specifically designed long-term investment vehicle for the retirement savings of individuals.

The retirement income system includes:

- the superannuation guarantee, a compulsory element of super which requires employers to contribute a minimum level to their employees' super accounts
- a voluntary level of super encouraged by tax concessions and the co-contribution scheme
- the age pension and associated social security arrangements that provide an income safety net for retirees.

The ATO plays a major role in administering the compulsory and voluntary elements of the super system. During the period covered by these statistics, the ATO has had responsibility for:

- income tax on super funds (reported in Chapter 4)
- the other income tax aspects of super
- the superannuation guarantee
- the superannuation holding accounts special account
- the lost members register
- unclaimed super monies
- departing Australia super payments
- the regulation of self-managed super funds
- the co-contributions system
- excess contributions tax
- the superannuation contributions surcharge
- the termination payments surcharge
- the temporary residents measure.

An increasing number of Australians are directly affected by Australia's super system tax regime. By 30 June 2012, there were:

- approximately 1.4 million registered employers
- 481,957 super funds
- \$1.4 trillion in total assets held by super funds.

As at 30 June 2012, approximately 89% of employees had some form of super and there were approximately 31.9 million member super accounts.

During the 2011–12 financial year, there were:

- \$34.2 billion in member contributions
- \$82.1 billion in employer contributions
- \$69.7 billion in member benefit payments.

For information reported by super funds for the 2010–11 income year, see Chapter 4.

### SUPERANNUATION GUARANTEE SCHEME

The superannuation guarantee scheme requires employers to provide the following to eligible employees:

- a prescribed minimum level of super support paid into a complying super fund or retirement savings account
- a choice of super fund that their entitlements are paid to.

Some employees are not eligible for superannuation guarantee contributions because of low salary or wages, age, or hours of work.

Employers who fail to provide a minimum level of super support (or to meet their choice of super fund obligations) for eligible employees are liable to pay a non-deductible superannuation guarantee charge.

This charge is equal to:

- the employer's total superannuation guarantee shortfalls
- an interest component of 10% per annum, calculated from the beginning of the quarter relating to the shortfall, to the 28th day of the second month following the end of the quarter, or the date of lodgment of the superannuation guarantee statement (whichever is later)
- an administrative fee for each employee not fully covered, of \$20 per employee per quarter.

The ATO collects the superannuation guarantee charge from employers and facilitates the transfer of the shortfall component, plus interest, to employees' super accounts. In addition to the superannuation guarantee charge, penalties may apply.

**TABLE 15.1: Superannuation guarantee charge collections and distributions, 2010–11 and 2011–12 financial years**

Superannuation guarantee charge (SGC)	2010–11 \$m	2011–12 \$m
SGC net cash collections	269	323
Entitlements distributed <sup>1</sup>	258	295

<sup>1</sup> Includes amounts transferred to the superannuation holding accounts special account.

### SUPERANNUATION HOLDING ACCOUNTS SPECIAL ACCOUNT

The superannuation holding accounts special account (special account) closed to new employer superannuation guarantee deposits on 30 June 2006. However, the special account still contains accounts where a holder has not yet transferred their money to a super fund or retirement savings account.

The special account may also receive unclaimed superannuation guarantee shortfall component amounts and superannuation co-contribution amounts. At the end of the 2011–12 financial year, the total value of accounts in the special account was \$68.3 million.

Deposits into the special account in 2011–12 totalled \$9.1 million. The majority of this money was a result of the transfer of money returned from funds, returned cheques, and unclaimed superannuation co-contribution amounts.

Transfers out of the special account in 2011–12 totalled \$12.6 million, with the majority of this money paid to super funds and retirement savings accounts. Inactive accounts in the special account were also transferred to consolidated revenue.

**TABLE 15.2: Superannuation holding accounts special account, 2010–11 and 2011–12 financial years**

Special account	2010–11	2011–12
Value of deposits (\$m)	4.1	9.1
Number of accounts > \$0	175,768	164,614
Total value of accounts (\$m)	71.8	68.3

### LOST MEMBERS REGISTER

The ATO maintains a register of accounts that super funds have classified as 'lost'. Super funds report members as lost when they have received unclaimed mail for the member (uncontactable) and/or when the account has not shown activity for some time (inactive).

The total number of lost accounts as at 30 June 2012 was 3.4 million, a 32% decrease compared to 30 June 2011, while the value of the lost members register fell by 17% to \$16.8 billion.

**TABLE 15.3: Lost members register accounts, 2010–11 and 2011–12 financial years**

Lost members register accounts	2010–11	2011–12
Total accounts at 30 June (m)	5.0	3.4
Uncontactable accounts (m)	3.5	2.0
Inactive accounts (m)	1.5	1.4
Closing value at 30 June (\$b)	20.2	16.8
Value of uncontactable accounts (\$b)	12.1	9.0
Value of inactive accounts (\$b)	8.1	7.8

### UNCLAIMED SUPER MONEY

Unclaimed super money is payable to the ATO or, in limited circumstances, to the relevant state or territory authority, where the super provider is unable to ensure that the money will be received by the person who is entitled to it. Types of unclaimed super relate to:

- members who have reached eligibility age (currently age 65)
- non-member spouses who are entitled to a splittable payment
- members who have died where another person is entitled to the money
- former temporary residents with cancelled or expired visas who departed Australia over six months ago
- small or insoluble lost member accounts.

During 2011–12, \$36.2 million was paid out as a result of claims made for unclaimed money, with \$9.5 million tax withheld. As at 30 June 2012, the ATO held \$467 million relating to former temporary residents.

**TABLE 15.4: Unclaimed super held by ATO, 2010–11 and 2011–12 financial years**

	2010–11	2011–12
Unclaimed super	No.	No.
Accounts at 30 June (m)	2.3	2.8
Closing value at 30 June (\$m)	730	887

### SELF-MANAGED SUPER FUNDS

While self-managed funds make up 99% of all super funds, they only represent 2.9% of total super member accounts. However, self-managed funds hold 31% of all assets in the Australian super system.

The net growth in the number of self-managed funds during the 2011–12 year was 8.0%, with a growth in estimated total assets of 3.7%.

**TABLE 15.5: Self-managed super funds, 2010–11 and 2011–12 financial years**

Self-managed super funds	2010–11 <sup>1</sup>	2011–12
Funds (no.)	442,987	478,263
Members <sup>2</sup> (no.)	846,227	913,550
Assets <sup>2</sup> (\$m)	423,232	438,995

<sup>1</sup> The 2010–11 figures have been updated.

<sup>2</sup> Estimates based on ATO data.

For the 2010–11 income year, the majority (91.6%) of self-managed funds have one or two members, while most assets (60.7%) are in listed shares, or cash and term deposits.

**TABLE 15.6: Number of members in self-managed super funds, 2009–10 and 2010–11 income years<sup>1</sup>**

Number of members	Proportion of funds (%)	
	2009–10	2010–11
1	22.4%	22.5%
2	68.7%	69.1%
3	4.4%	4.1%
4	4.6%	4.3%

<sup>1</sup> 2011–12 fund tax return information not available.

**TABLE 15.7: Asset allocation across self-managed super funds, 2009–10 and 2010–11 income years<sup>1</sup>**

Asset type	2009–10 <sup>2</sup>	2010–11
	%	%
Listed Shares	31.4	32.0
Cash and term deposits	27.1	28.7
Non-residential real property	11.5	11.4
Unlisted trusts	9.6	8.8
Other Managed Investments	5.0	4.7
Listed trusts	4.9	4.2
Residential real property	3.7	3.5
Unlisted Shares	1.2	1.1
Overseas assets <sup>3</sup>	0.9	0.9
Other assets <sup>4</sup>	4.8	4.8
<b>Total<sup>5</sup></b>	<b>100.0</b>	<b>100.0</b>

<sup>1</sup> 2011–12 fund tax return information not available.

<sup>2</sup> The 2009–10 figures have been updated.

<sup>3</sup> Includes all labels listed at item 14c on the 2011 SMSF annual return.

<sup>4</sup> Includes Artwork, collectibles, metal or jewels, Debt securities, Derivatives and instalment warrants, Insurance policy, Loans and Other assets.

<sup>5</sup> Totals may differ from the sum of the components, due to rounding.

### SUPERANNUATION CO-CONTRIBUTION

The superannuation co-contribution has operated since 1 July 2003. It is intended to help low and middle income earners save for their retirement. If an eligible person makes personal super contributions, the government will match their contributions with a co-contribution, subject to certain limits.

For the 2011–12 year of entitlement, for eligible persons with total income below \$31,920, the government matched 100% of personal contributions made – up to a maximum co-contribution of \$1,000. The maximum co-contribution entitlement is reduced by 3.333 cents for each dollar of total income earned above \$31,920, phasing out at the higher income threshold of \$61,920.

The number and amount of co-contribution entitlements determined and paid in the 2011–12 financial year decreased by 5.6% and 11.3% respectively, compared to the 2010–11 financial year.

**TABLE 15.8: Co-contribution entitlements determined and paid, 2010–11 and 2011–12 financial years<sup>1</sup>**

Co-contribution	2010–11		2011–12	
	No.	\$m	No.	\$m
<b>Total</b>	<b>1,097,134</b>	<b>679</b>	<b>1,035,797</b>	<b>602</b>

<sup>1</sup> Co-contribution entitlements determined and paid in the financial year relate to personal contributions made in previous income years. The figures in this table refer to payments of original entitlements and do not include credit amendments or interest.

Since the inception of the scheme, more co-contributions have been paid to females than males. This trend continued in the 2011–12 year, where 60% of entitlements both determined and paid went to females. Take up of co-contributions continues to be dominated by those aged between 41 and 60.

**TABLE 15.9: Number of co-contribution entitlements determined and paid, by age and gender, 2011–12 financial year<sup>1</sup>**

Age range	Female No.	Male No.	Total No.
Under 21	19,361	26,103	45,464
21 – 25	34,731	32,371	67,102
26 – 30	34,452	24,937	59,389
31 – 35	44,050	24,315	68,365
36 – 40	63,320	31,879	95,199
41 – 45	75,204	39,062	114,266
46 – 50	93,642	50,050	143,692
51 – 55	98,080	55,132	153,212
56 – 60	91,712	59,030	150,742
61 – 65	57,577	52,563	110,140
66 – 70	12,192	16,034	28,226
<b>Total</b>	<b>624,321</b>	<b>411,476</b>	<b>1,035,797</b>

<sup>1</sup> Co-contribution entitlements determined and paid in 2011–12 relate mainly to personal contributions made in the 2010–11 income year, but also personal contributions made in previous income years.

## EXCESS CONTRIBUTIONS TAX

From 1 July 2007, super contributions are subject to annual caps – contributions in excess of the relevant caps are subject to additional tax. Individuals who exceed one or both of the contributions caps receive an excess contributions tax assessment. Individuals are taxed at:

- 31.5% on the amount of excess concessional contributions
- 46.5% on the amount of excess non-concessional contributions.

Where an excess contributions tax liability arises, the individual is able to – and in some cases, must – withdraw an amount equal to their tax liability from their super fund.

**TABLE 15.10: Excess contributions tax assessments issued, 2010–11 and 2011–12 financial years<sup>1</sup>**

Excess contributions tax	2010–11	2011–12
Net liabilities raised (\$m)	243.6	174.3

<sup>1</sup> These figures relate to ECT liabilities raised in respect of previous income years.

## SUPERANNUATION SURCHARGE

The superannuation surcharge has been repealed. The surcharge does not apply to super contributions made, or termination payments received, on or after 1 July 2005. However, the surcharge still applies, and continues to be collected, in respect of contributions made before that date – this is generally why the number of assessments and the amount of surcharge collected is decreasing.

Surcharge only applied for high-income earners whose taxable income, reportable fringe benefits amounts and surchargeable contributions together exceeded a certain threshold (\$99,710 in 2004–05).

**TABLE 15.11: Surcharge assessments issued, 2010–11 and 2011–12 financial years**

Superannuation surcharge	2010–11 <sup>1</sup>	2011–12 <sup>1</sup>
Surcharge assessments issued	18,679	13,662
Surcharge collected <sup>2</sup> (\$m)	42.0	37.5

<sup>1</sup> These figures relate to surcharge assessments in respect of 2004–05 and previous years.

<sup>2</sup> Surcharge collected does not relate to assessments issued. The individual is not liable for surcharge until they access their benefits or roll the benefit into another fund.

## SOURCE OF SUPER STATISTICS

The statistics in this chapter are sourced from the various super systems, fund income tax returns and self-managed superannuation fund annual returns processed by 30 June 2012, and from the Australian Business Register. Most of the statistics reported in the introduction section of this chapter are sourced from the Australian Prudential Regulation Authority's *Annual Superannuation Bulletin June 2012*.

The statistics in the self-managed super funds tables have been updated for 2010–11 and prior years to incorporate data received and processed by 30 June 2012. We recommend you exercise caution when comparing these statistics to those in previous editions of *Taxation statistics*.

Copies of the fund income tax return and self-managed superannuation fund annual return forms are in the appendix – you can view or download them in PDF file format from the attached CD-ROM or from the online version of *Taxation statistics* on our website at [ato.gov.au](http://ato.gov.au)

## SUPER CHAPTER TABLES

The super chapter tables are on the attached CD-ROM and included in the online version of this publication on our website – you can view or download all the chapter tables in Excel.

## LIST OF SUPER DETAILED TABLES

The following detailed table is on the attached CD-ROM and included in the online version of this publication on our website – you can view or download the detailed table in PDF or Excel.

### Table 1: Beneficiaries of superannuation co-contributions, by postcode, 2011–12 financial year

This table contains details of the state/territory and postcodes of individuals who had a superannuation co-contribution both determined and paid during the 2011–12 financial year.