

Policy proposals	Fiscal impact 2016-17 (\$m)	Fiscal impact 2017-18 (\$m)	Fiscal impact 2018-19 (\$m)	Fiscal impact 2019-20 (\$m)	4 year net fiscal impact 2016-17 to 2019-20 (\$m)	10 Year net fiscal impact 2016-17 to 2026-27 (\$m)
Liberal-National Party (LNP)						
From 1 July 2017 the Government will introduce a \$1.6 million transfer balance cap on the amount of accumulated superannuation an individual can transfer into the retirement (tax free) phase. Balances above this will be taxed on earnings, at the 15 per cent rate.		550	700	750	2000	Not estimated
From 2017, the income level at which high income earners pay additional contributions tax (30% in total – called the Higher Income Superannuation Charge - HISC) will be lowered from \$300,000 to \$250,000.		500	800	1,150	2,450	Not estimated
From 2016, a \$500,000 lifetime non-concessional contributions cap will apply, including all non-concessional contributions made on or after 1 July 2007. Existing fund balances will be grandfathered.	50	100	150	250	550	Not estimated
From 2017, the annual cap on concessional superannuation contributions will be reduced to \$25,000 (currently \$30,000 under age 50; \$35,000 for ages 50 and over).		500	800	1,150	2,450	Not estimated
Will increase the Age Pension eligibility age to 70 , by 2035. No impact over the forward estimates, but generates a \$2.1 billion saving over the medium term.						2,130
From 2017, individuals will be allowed to make additional concessional contributions where they have not reached their cap in previous years , for those individuals whose superannuation balance is less than \$500,000. Amounts			-100	-250	-350	Not estimated

will be carried forward on a rolling basis for a period of five consecutive years. Only unused amounts accrued from 1 July 2017 can be carried forward.						
From 2017, people aged 65 to 74 will be allowed to make superannuation contributions for their retirement. People under the age of 75 will no longer have to satisfy a work test and will be able to receive contributions from their spouse.		-40	-40	-50	-130	Not estimated
From 2017, the low income spouse superannuation tax offset income threshold for the low income spouse will be increased to \$37,000 from \$10,800.			-5		-5	Not estimated
From 2017, will introduce a Low Income Superannuation Tax Offset (LISTO) to reduce tax on superannuation contributions for members with adjusted taxable income up to \$37,000 that have had a concessional contribution made on their behalf, up to a cap of \$500. This measure replaces the LITO which had a similar effect but was due to expire.			-600	-700	-1,300	Not estimated
Will remove the anti-detriment provision , which allows a member's lifetime superannuation contributions tax payments to be refunded into an estate, where the beneficiary is the dependant of the member (spouse, former spouse or child).			105	245	350	Not estimated
Will remove the tax exemption on earnings of assets supporting Transition to Retirement Income Streams from 2017, and remove a rule that allows individuals to treat certain superannuation income stream payments as lump sums for tax purposes.		190	220	230	640	Not estimated
From 2017, will increase the age limit for individuals to claim an income tax deduction to 75 years for personal superannuation contributions and remove the work test.		350	-600	-750	-1,000	Not estimated
Australian Labor Party (ALP)						
Will reform the tax exemption for earnings on superannuation balances that exceed approx. \$1.5 million.					1,400	9,200

From 1 July 2017, future earnings on assets supporting income streams will be tax-free up to \$75,000 a year for each individual. Earnings above the \$75,000 threshold will be taxed at 15% rate. ⁱ						
Will reduce the HISC threshold from \$300,000 to \$250,000, which is the same as the LNP policy.	500					5,100
Will not proceed with the current Government's plan to increase the Age Pension eligibility age to 70, by 2035. NB. This measure has no impact over the forward estimates, but 'costs' \$2.1 billion over 10 years relative to the Government's policy ⁱⁱ .						-2,130
The Greens						
Will introduce progressive tax rates on superannuation contributions , with a government co-contribution for individuals below the tax-free threshold (\$18,200) of 15 cents for each dollar of concessional superannuation contributions and a progressive structure of effective contribution tax rates , being: 0; 15; 22; & 32%. There is no Greens policy on fund investment earnings.	2,430	2,970	2,820	2,850	11,070	Not estimated

ⁱ The ALP has included the LNP's aggregate \$3 billion super savings in its budget estimates. In its Fiscal Plan of 26 June 2016, the ALP stated: 'Given Labor's concerns about the Government's superannuation changes, including retrospective elements, Labor would consult with stakeholders and take a broader examination of all these measures on coming to government' (p. 12). It is therefore unclear what, if any of the LNP's changes to superannuation will remain, as the precise details are yet to be worked out.

ⁱⁱ This is not a cost as measured against a 'no policy change' baseline, but is included here as useful information.