



ASIC
Australian Securities &
Investments Commission

ASIC Corporations (Amendment) Instrument 2024/733

I, Jane Eccleston, delegate of the Australian Securities and Investments Commission, make the following legislative instrument.

Date 6 September 2024

Jane Eccleston

Contents

Part 1—Preliminary	3
1 Name of legislative instrument.....	3
2 Commencement	3
3 Authority.....	3
4 Schedules	3
Schedule 1—Amendments	4
<i>ASIC Corporations (Superannuation Calculators and Retirement Estimates)</i> <i>Instrument 2022/603</i>	4

Part 1—Preliminary

1 Name of legislative instrument

This is the *ASIC Corporations (Amendment) Instrument 2024/733*.

2 Commencement

This instrument commences on the day after it is registered on the Federal Register of Legislation.

Note: The register may be accessed at www.legislation.gov.au.

3 Authority

This instrument is made under paragraphs 926A(2)(a) and 951B(1)(a) of the *Corporations Act 2001*.

4 Schedules

Each instrument that is specified in a Schedule to this instrument is amended or repealed as set out in the applicable items in the Schedule concerned, and any other item in a Schedule to this instrument has effect according to its terms.

Schedule 1—Amendments

ASIC Corporations (Superannuation Calculators and Retirement Estimates) Instrument 2022/603

1 Section 4 (paragraph (a) of the definition of *present value*)

Repeal the paragraph, substitute:

- (a) where the amount is payable or accrues to the person before they reach the assumed retirement age:

$$\frac{C}{(1+r)^n}$$

where:

C is the estimate of the amount payable or accruing at the future time.

n is the number of years and part years between the present date and the future time that the amount is payable or accrues.

r is:

- (i) if this formula is used between the date *ASIC Corporations (Amendment) Instrument 2024/733* commences and 31 December 2024—either 0.037 or 0.04; or
- (ii) if this formula is used on or after 1 January 2025—0.037; or
- (iii) in any case—such other assumed rate (expressed as a decimal fraction) as is inputted by the person;

Note: The default number for **r** in subparagraph (ii) assumes an inflation rate of 3.7% per year (which reflects the long-term forecast of nominal wage growth in the Government's 2023 Intergenerational Report). A transitional default number for **r** is included in subparagraph (i) to accommodate the fact that the previous default number assumed an inflation rate of 4% per year (based on the long-term forecast of nominal wage growth in the Government's 2021 Intergenerational Report).

2 Section 4 (paragraph (b) of the definition of *present value*)

Repeal the paragraph, substitute:

- (b) where the amount is payable or accrues to the person on or after they reach the assumed retirement age and the person has not yet reached that age:

$$\frac{C}{(1+r)^a (1+s)^b}$$

where:

C is the estimate of the amount payable or accruing at the future time.

a is the number of years and part years between the present date and the assumed retirement age.

b is the number of years and part years between the assumed retirement age and the future time that the amount is payable or accrues (zero if the amount is payable or accrues on the date of retirement).

r is:

- (i) if this formula is used between the date *ASIC Corporations (Amendment) Instrument 2024/733* commences and 31 December 2024—either 0.037 or 0.04; or
- (ii) if this formula is used on or after 1 January 2025—0.037; or
- (iii) in any case—such other assumed rate (expressed as a decimal fraction) as is inputted by the person;

Note: The default number for **r** in subparagraph (ii) assumes an inflation rate of 3.7% per year (which reflects the long-term forecast of nominal wage growth in the Government’s 2023 Intergenerational Report). A transitional default number for **r** is included in subparagraph (i) to accommodate the fact that the previous default number assumed an inflation rate of 4% per year (based on the long-term forecast of nominal wage growth in the Government’s 2021 Intergenerational Report).

s is 0.025 or such other assumed inflation rate (expressed as a decimal fraction) for the purpose of the period between the assumed retirement age and the future time that the amount is payable or accrues as is inputted by the person;

Note: The default number assumes an inflation rate of 2.5% per year (being the mid-point of the Reserve Bank of Australia’s target range for consumer price inflation).

3 Section 4 (definition of *superannuation entity*)

Repeal the definition.

4 Section 4 (definition of *superannuation product*)

Repeal the definition.

5 Section 4 (definition of *transition to retirement income stream*)

Omit “regulation”, substitute “subregulation”.