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2 March 2009

AFTS Secretariat  
The Treasury  
Langton Crescent  
Parkes ACT 2600

Dear Dr Henry

Please find attached AMP's submission to the Retirement Income review dealing with the Transition to Retirement policy (TTR).

AMP commissioned Access Economics to undertake a policy impact analysis of the TTR policy using AMP's corporate superannuation database.

Access Economics found that the TTR policy was working well and achieving its overall stated policy objectives. The study also found that the policy has not been operating sufficiently long to make a full assessment and recommended that no changes should be made until the policy reaches full maturity.

Should you have any queries please do not hesitate to contact me on 0412 437 315.

Yours sincerely

Alastair Kinloch



**AMP's response to  
Australia's Future Tax System  
– Retirement Income  
Consultation Paper**

**Transition to Retirement**

**27 February 2009**

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## EXECUTIVE SUMMARY / RECOMMENDATIONS

### Summary conclusion

Analysis of the AMP database indicates that the Transition To Retirement (TTR) policy is working well and achieving its overall stated policy objectives of:

- Improving mature age participation rates
- Assisting in enhancing superannuation adequacy

The Policy has not been operating sufficiently long to make a full assessment; no changes should be made to the policy until it reaches maturity and a full assessment can be made.

### Study findings

AMP commissioned Access Economics to undertake a review of the performance of the Transition to Retirement policy using AMP's Corporate Superannuation database. The Access Economics study (see Attachment 1 for summary document) reported that:

"In brief, our analysis suggests that the early signs on the use of TTRs are relatively positive.

In terms of the behaviour of members taking out a 'transition to retirement pension' (TTRP):

- Higher contributions rates among those with lower than median super balances are an encouraging sign, suggesting TTR policies are helping to address retirement income adequacy for this group. Of members who had below median balances at the start of a TTRP, 40.6% made a significant increase in their voluntary contributions to super.
- The evidence is consistent with members 'transitioning to retirement'. Most members saw a fall in their salary after accessing super, suggesting individuals are working less and/or in lower paid roles while supplementing their income through the TTRP.
- It is too early to make a proper assessment of the labour force participation effects of TTRPs, but members' salaries after they access their super are consistent with the intention of the policy to allow members to remain in the workforce for longer by working reduced hours.
- Some groups saw higher average voluntary super contributions ahead of the commencement of a TTRP. This may be an indication of members who are nearing retirement planning ahead to meet their desired level of income during the transition.
- Outcomes for members with superannuation balances above the median showed a more mixed picture. There is some evidence of greater voluntary contributions from this group, with a range of responses evident during the transition period.

Among members identified as taking out a 'transition to retirement pension' (TTRP):

- Average pre-retirement incomes were 18% lower than the broader average among AMP members, and 14% lower than AWOTE.
- Average balances among this group were more than triple the broader database, in part reflecting a minimum level of super savings needed to purchase a viable TTRP.
- Males were slightly more likely to take a TTRP than females, with differences in super balances between the genders a likely constraint on females' retirement transitions."

## 1. INTRODUCTION

AMP welcomes the Government's decision to commission a comprehensive review into Australia's future tax system, including consideration of the retirement income system.

AMP has developed two submissions to the Review, one covering general retirement income issues, and this submission specifically focussing on Transition to Retirement (TTR) provisions.

This submission analyses the TTR policy and includes an analysis of the behavioural response to the policy and makes an assessment of its success against the objectives set for the policy.

The Transition to Retirement Policy was initiated by the former government to address, in part, one of Australia's most significant economic challenges - how to increase workforce participation, particularly in the older age cohorts.

The policy works by allowing individuals to access their superannuation as an income stream, after reaching preservation age but before retiring. It increases workforce participation by allowing individuals to reduce their working hours but not completely retiring, with their income from working supplemented by drawing on their superannuation balance.

In order to assess the individual behavioural response to the policy, AMP commissioned Access Economics to undertake before and after studies of individuals who had adopted a TTR strategy. The results are presented at Attachment 1.

The analysis shows in summary that that the policy is working well and is achieving its objectives.

## 2. TTR POLICY

### 2.1 Policy Objectives

Broadly speaking there are two objectives of TTR - one prime and one subsidiary.

#### Primary objective

The prime objective of TTR is:

- to improve Australia's mature age participation rates and keep individuals productive for longer, thus contributing to tax revenue – as opposed to them being out of the labour force and a potential burden on active workers/taxpayers. This increases overall prosperity and helps limit the effects of our ageing population

#### Secondary objective

The secondary objective is:

- to help fill the adequacy gap which has arisen from Australia's superannuation system still being short of maturity.

The Superannuation Guarantee (SG) only reached today's 9% rate in 2002-03, meaning that many of those retiring (or potentially retiring) across the next decade have lacked the support to build their retirement income adequacy enjoyed by younger Australians. This places a burden on taxpayers who are likely to pay for individuals who do not have adequate requirement income via the age pension and other social security transfer payments.

### 2.2 Improving Participation Rates

TTR was introduced on 1 July 2004 as a means to encourage individuals aged 55 and above (and under 65) to remain in the workforce, by allowing them to reduce their work hours and top up their income using super, rather than retiring from the workforce altogether.

#### *Before TTR*

Prior to the introduction of TTR, individuals seeking to reduce their hours of work, for example, by moving from full-time work to part-time work, were unable to achieve this, as they could not sustain the reduction in their income. Accordingly, many chose to retire, access their super using the retirement condition of release, and some then chose to return to work on a part-time basis at a later date, using their super to top up their income.

The problem with this system is that some individuals chose not to return to work, or individuals were able to access higher levels of Age Pension.

Employers were also detrimentally affected, as they were losing experienced staff, and incurred recruitment costs to replace those retiring to access their super.

#### *After TTR*

TTR provided a flexible solution, allowing a win-win situation to occur. Employees were happy, as they could reduce work hours and supplement their income. Employers were happy, as they retained key experienced employees. The nation also benefited by the fact that more people remained in the workforce, paying tax and contributing to super, thus maintaining or building their super account balances for eventual retirement.

AMP, through its financial planners, is aware that many clients are using TTR to reduce work hours and remain in the workforce.

### 2.3 Enhancing Adequacy

TTR has also been considered by working Australians as a means to supplement salary/wages used to make additional voluntary superannuation contributions.

The Consultation paper refers to this strategy on page 21, and it mainly focuses on the difference in effective rate of tax between the salary used to make additional voluntary super contributions, and the tax payable on the replacement TTR income stream.

As stated earlier, a TTR income stream is usually more tax efficient for people than salary/wage income, particularly where aged 60 and above. The fact that the tax concession may also assist individuals on higher personal tax rates is also a given, and this applies to all tax concessions provided, and not just superannuation.

However, it is improper to draw conclusions on the benefit of this strategy solely by focussing on the difference in the effective rate of tax paid between salary and TTR.

Like a coin, there are two sides to the story.

Individuals are attracted to this strategy because it provides a way for them to consider whether they can make additional voluntary superannuation contributions. Rather than tax, the key driver is superannuation adequacy – ‘will I have enough?’

AMP’s Superannuation Adequacy Index indicates that many older Australians still fall well short of having an adequate retirement income and indeed that many over 60 are more likely to be reliant on the age pension than others.

Accordingly any strategy to enhance adequacy through greater contributions will be beneficial to both the individual and the state.

### 3. HOW SUCCESSFUL IS TTR?

AMP commissioned Access Economics to utilise AMP’s Corporate Superannuation database to determine how individuals have responded to the TTR policy and to assess whether the policy objectives have been met.

In order to do this, Access Economics identified the labour force participation and savings behaviour of individuals before and after the point at which superannuation assets are accessed to commence a TTRP.

#### 3.1 Who is using TTR?

The Access Economics study examined the income of those participating in TTR (see Table 1 below).

The Table shows average salaries before and after the commencement of a TTRP. It shows that, on average, members taking up a TTRP have incomes that are below the broader average across all members. Indeed, the average member commencing a TTRP had incomes below average weekly ordinary time earnings, which stood at \$57,860 in 2007-08.

In other words, TTR is used by individuals with relatively lower incomes across the age range.

**TABLE 1: AVERAGE MEMBER SALARIES – BEFORE AND AFTER TTRP COMMENCEMENT**

(\$ salary)	Before	After	Average (all members)*
<b>55-56</b>	\$51,366	\$34,800	
<b>57-58</b>	\$50,809	\$35,138	\$63,106
<b>59-60</b>	\$53,960	\$36,068	
<b>61-62</b>	\$47,305	\$33,847	\$56,332
<b>63-64</b>	\$42,101	\$26,556	

- These values indicate 5-year cohort averages (55-59 and 60-64) for the full AMP corporate super database.

#### 3.2 Behavioural response

Table 2 below provides a handy summary indicator of whether the introduction of the TTR had any effect on the salary and contribution levels of the individuals who were taking advantage of this initiative.

**TABLE 2: SUMMARY OF BEHAVIOURAL CHANGES AFTER TTRP COMMENCEMENT**

(% of TTRP members)		Salary		
		Higher	Unchanged	Lower
<b>Contributions</b>	<b>Higher</b>	13.2%	18.2%	13.9%
	<b>Unchanged</b>	1.9%	2.8%	1.7%
	<b>Lower</b>	13.1%	12.0%	23.3%

Table 2 suggests that the largest category of members (38.9% – the sum of the three categories with lower salaries after a TTR) appear to have had a generally beneficial outcome as a result of TTR:

- They reduced their salary – consistent with the aim of the policy to allow older workers to reduce their hours while making a transition to retirement.
- 45.3% of members (the sum of the three categories with higher contributions after a TTR) stepped up their contributions while receiving income from their super. That is an indication that many members receiving a TTR are attempting to improve the adequacy of their superannuation balance for full retirement.

Close to one-third of members (31.4%) had higher contributions and a higher or unchanged salary after commencing a TTR:

- While this is not the primary aim of the policy, it reflects the broad range of behaviours among members in response to the increased flexibility of their retirement benefits.
- It is also likely to represent a positive outcome where individuals make higher contributions in order to improve their adequacy, or increase participation levels by working longer hours.
- In some cases, this may present a 'fairness' concern where members have high existing super balances.

Some 25.1% of TTR members had lower super contributions and yet higher or unchanged salary levels:

- This could be seen as a negative outcome if the lower contributions threaten the adequacy of the individuals' superannuation balances (that is, these members' behaviour raises adequacy concerns, though not as a result of TTR policies).
- Similarly, it could just mean that these individuals are working harder and not fully taking advantage of the tax incentives offered under the TTR.

#### 4. CONSEQUENCES OF ABOLISHING TTR

If TTR was either abolished or modified, it could have a number of adverse consequences.

First, it would reduce confidence in the superannuation system, particularly for working Australians aged 55+ already with a TTR income stream.

The Government introduced TTR as an incentive for individuals of preservation age to consider remaining in the workforce. It was adopted by many Australians who would have received advice prior to taking up this measure. That advice would also likely to have been reviewed when the 'Better Super' changes were introduced.

Any variation which may either abolish or modify TTR would be quite disconcerting to this age group, who require above all else some legislative certainty in planning their retirement. Normally, the 5 to 10 years prior to retirement are critical from a retirement planning perspective. There is a lot of stress to 'get it right'. Major changes to individuals already in this age group will only create greater stress and a reduction in confidence in superannuation.

Secondly, if abolished, it is expected that it would reduce workforce participation by the 55+ age group.

If they were unable to top up their income while working part-time, then the choices available are as follows:

- Some will seek to find full-time work, to make up the income shortfall. In an economy affected by the Global Financial Crisis, this may prove difficult. For some, it may mean seeking new employment if their current employer does not have the capacity to increase the hours of work.
- Others may choose to leave the workforce altogether, using the retirement condition of release, and being able to access all their super without any restriction. Not all will choose to return to work, instead opting to live off their super and potential Centrelink entitlements. This will deplete their superannuation savings and make them eligible for potentially higher age pension benefits

Employers may also face the prospect of losing experienced staff, which will impact the economy's productivity (as well as reducing Pay As You Go tax receipts with a corresponding increase in Centrelink payments).

Thirdly, if TTR is modified, for example, to reduce its tax effectiveness, then some individuals may suspend/reduce their voluntary contributions to super. They may instead direct these monies towards other alternatives which may be perceived to be more 'tax effective', for example, negatively geared investments, investing via family trusts, agribusiness etc.

The provision of tax concessions by the Government to those who choose to make voluntary superannuation contributions, as a result of commencing TTR income streams, is appropriate and consistent with the third pillar of Australia's retirement income policy.

The trade-off for receiving the tax-concession is that the super contributions are placed in an environment subject to prudential regulation, with restrictions on access until retirement. This is not the case with alternative investments.

**ATTACHMENT - ACCESS ECONOMICS REPORT  
TRANSITION TO RETIREMENT**



# Evidence from AMP Corporate Superannuation Members

Report by Access Economics Pty Limited for

**AMP**

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## EXECUTIVE SUMMARY

AMP asked Access Economics to analyse the performance of 'transition to retirement' (TTR) policies: the set of policies which encourage flexibility in the move from work to retirement.<sup>1</sup>

To examine these policies we analysed a comprehensive dataset based on AMP's corporate super client records. This unique dataset covers the period from July 2006 to December 2008, and includes some 328,000 members with combined super balances of \$10.77 billion.

In brief, our analysis suggests that the early signs on the use of TTRs are relatively positive.

In terms of the behaviour of members taking out a 'transition to retirement pension' (TTRP):

- ❑ Higher contributions rates among those with lower than median super balances are an encouraging sign, suggesting TTR policies are helping to address retirement income adequacy for this group. Of members who had below median balances at the start of a TTRP, 40.6% made a significant increase in their voluntary contributions to super.
- ❑ The evidence is consistent with members 'transitioning to retirement': Most members saw a fall in their salary after accessing super, suggesting individuals are working less and/or in lower paid roles while supplementing their income through the TTRP.
- ❑ It is too early to make a proper assessment of the labour force participation effects of TTRPs, but members' salaries after they access their super are consistent with the intention of the policy to allow members to remain in the workforce for longer by working reduced hours.
- ❑ Some groups saw higher average voluntary super contributions ahead of the commencement of a TTRP. This may be an indication of members who are nearing retirement planning ahead to meet their desired level of income during the transition.
- ❑ Outcomes for members with superannuation balances above the median showed a more mixed picture. There is some evidence of greater voluntary contributions from this group, with a range of responses evident during the transition period.

Among members identified as taking out a 'transition to retirement pension' (TTRP):

- ❑ Average pre-retirement incomes were 18% lower than the broader average among AMP members, and 14% lower than AWOTE.
- ❑ Average balances among this group were more than triple the broader database, in part reflecting a minimum level of super savings needed to purchase a viable TTRP.
- ❑ Males were slightly more likely to take a TTRP than females, with differences in super balances between the genders a likely constraint on females' retirement transitions.

**Access Economics**  
**26 February 2009**

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<sup>1</sup> To inform its submission, AMP approached Access Economics to assess the available data. Access Economics has undertaken an independent assessment role for AMP. We have not designed or advocated any specific policy proposals.

## CHARACTERISTICS OF TTRP MEMBERS

Access Economics' examination of the AMP database led us to identify members in the AMP database who have commenced a TTRP in recent years.

**TABLE 3: ESTIMATED TTRP COMMENCEMENTS BY AGE AND GENDER – 2007-08**

(persons)	Males	Females	Total
<b>55-56</b>	165	36	201
<b>57-58</b>	133	47	180
<b>59-60</b>	173	73	246
<b>61-62</b>	153	50	203
<b>63-64</b>	120	38	158

Table 3 above shows the ages at which members began a transition to retirement. It indicates a notably even spread across the relevant age range.

Overall, men were slightly more likely to take a TTRP than women. Given lower superannuation balances among women in this age group, the relatively high participation of men in TTRPs may be a reflection of greater opportunity and capacity to take advantage of the transition arrangements.

Women were more likely to begin a TTRP at around age 60, while a greater proportion of men did so soon after reaching preservation age.

**TABLE 4: VOLUNTARY CONTRIBUTIONS TO SUPER – BEFORE AND AFTER TTRP COMMENCEMENT**

(% salary)	Before	After	Average (all members)*
<b>55-56</b>	12.9%	18.4%	
<b>57-58</b>	20.9%	30.6%	8.2%
<b>59-60</b>	20.6%	29.3%	
<b>61-62</b>	46.7%	42.6%	13.3%
<b>63-64</b>	35.3%	25.3%	

\* These values indicate 5-year cohort averages (55-59 and 60-64) for the full AMP superannuation member base.

Table 4 indicates that younger cohorts (55-60 years) increase their average superannuation contributions after taking a TTRP, while their older counterparts were more likely to have high contributions before accessing their super.

This latter pattern, high contributions followed by a reduction after commencing a TTRP, is consistent with members planning their transition so as to maximise the benefits of their pension and allow a greater after tax income stream while continuing to work – thereby easing their transition to retirement.

**TABLE 5: AVERAGE MEMBER SALARIES – BEFORE AND AFTER TTRP COMMENCEMENT**

(\$ salary)	Before	After	Average (all members)*
<b>55-56</b>	\$51,366	\$34,800	\$63,106
<b>57-58</b>	\$50,809	\$35,138	
<b>59-60</b>	\$53,960	\$36,068	\$56,332
<b>61-62</b>	\$47,305	\$33,847	
<b>63-64</b>	\$42,101	\$26,556	

\* These values indicate 5-year cohort averages (55-59 and 60-64) for the full AMP corporate super database.

Table 5 shows average salaries before and after the commencement of a TTRP. It shows that, on average and as expected, members taking a TTRP have incomes which are below the broader average across all members.

Indeed, the average member commencing a TTRP had incomes below average weekly ordinary time earnings, which stood at \$57,860 in 2007-08.

It also indicates a significant decrease in average salaries during the transition period. This pattern is consistent with the aims of the TTR arrangements – allowing older workers to reduce their hours while maintaining their level of after tax income.

**TABLE 6: AVERAGE MEMBER BALANCES – BEFORE AND AFTER TTRP COMMENCEMENT**

(\$ salary)	Before	After	Average (all members)*
<b>55-56</b>	\$226,030	\$42,960	\$80,091
<b>57-58</b>	\$233,934	\$48,414	
<b>59-60</b>	\$255,333	\$48,312	\$77,192
<b>61-62</b>	\$297,721	\$56,101	
<b>63-64</b>	\$278,807	\$63,226	

\* These values indicate 5-year cohort averages (55-59 and 60-64) for the full AMP corporate super database.

Average superannuation balances before and after undertaking the transition to retirement are shown in Table 6.

On average, members taking a TTRP had higher balances than evident in the broader AMP data. In part, this is a reflection of a minimum level of super savings needed to purchase a viable TTRP.

Balances fall significantly in the period immediately after the purchase of a TTRP because individuals typically withdraw a large proportion of their existing superannuation balance to cover the cost of their pension.

## TTRPs AND BEHAVIOUR

Understanding the impact of TTRPs on both individual outcomes from the super system and government finances through the tax and transfer system requires an examination of the behaviour of individuals before and after the transition period into retirement.

The impact of TTRPs can be disaggregated into the policy's costs and benefits.

The potential **benefits** include:

- ❑ **Adding to prosperity by** improving Australia's mature age participation and keeping individuals productive for longer and thus contributing to tax revenue – as opposed to them being out of the labour force and a potential burden on active workers/taxpayers. This helps limit the effects of our ageing population (and is consistent with Treasury's "3Ps" approach of adding to Australia's economic potential by raising productivity, participation and population) ; and
- ❑ **Adding to fairness by** helping fill the adequacy gap which has arisen from Australia's superannuation system still being short of maturity. The Superannuation Guarantee (SG) only reached today's 9% rate in 2002-03, meaning that many of those retiring (or potentially retiring) across the next decade have lacked the matching incentives to build their retirement income adequacy enjoyed by younger Australians.
- ❑ **Easing the transition to retirement** could also be a further potential benefit by allowing individuals a **choice (that is, less compulsion)** between work and leisure. Individuals are able to remain in the workforce but at the same time reduce their working hours while maintaining or supplementing their income through their super.

The potential **costs** include:

- ❑ Giving some Australians access to **significant tax concessions** relative to other taxpayers – thereby hampering both 'fairness' and 'prosperity' when other taxpayers eventually have to cover the cost of those concessions through higher taxes.
- ❑ A **moral hazard concern** by allowing individuals to draw down on retirement assets too fast or too early – with the understanding that the Government will ensure that they always have access to a minimum level of income in retirement through the age pension.
- ❑ A **myopia concern** by providing a way around the broader 'fairness' principles in the tax and transfer system by allowing members to take advantage of the concessional taxation treatment of superannuation to increase their current after tax income.
- ❑ The risk of an **adverse impact on the effectiveness of preservation arrangements** in place to protect the operation and integrity of the superannuation system.

By way of example:

- ❑ If the introduction of the TTRP leads to higher salary levels in cases where individuals had a below median superannuation balance prior to the commencement of the TTRP, then this could be interpreted as a sign of higher workforce participation which thereby adds to **prosperity**.
- ❑ Similarly, if the TTRP leads to higher contributions in cases where individuals had a below median superannuation balance prior to the commencement of the TTRP, then this could be interpreted as a sign that **fairness** issues are being addressed, with these individuals now better placed to finance their own retirement.

Using the longitudinal data available from the AMP corporate superannuation database, Access Economics identified the labour force participation and savings behaviour of individuals before and after the point at which superannuation assets are accessed to commence a TTRP.

**TABLE 7: SUMMARY OF BEHAVIOURAL CHANGES AFTER TTRP COMMENCEMENT**

(% of TTRP members)		Salary		
		Higher	Unchanged	Lower
Contributions	Higher	13.2%	18.2%	13.9%
	Unchanged	1.9%	2.8%	1.7%
	Lower	13.1%	12.0%	23.3%

The above table provides a handy summary indicator of whether the introduction of the TTRP had any effect on the salary and contribution levels of the individuals who were taking advantage of this initiative.

Table 7 suggests that the largest category of members (38.9% – the sum of the three categories with lower salaries after a TTRP) appear to have had a generally beneficial outcome as a result of the TTRP introduction:

- ❑ They reduced their salary – consistent with the aim of the policy to allow older workers to reduce their hours while making a transition to retirement.
- ❑ 45.3% of members (the sum of the three categories with higher contributions after a TTRP) stepped up their contributions while receiving income from their super. That is an indication that many members receiving a TTRP are attempting to improve the adequacy of their superannuation balance upon full retirement.

Close to one-third of members (31.4%) had higher contributions and a higher or unchanged salary after commencing a TTRP:

- ❑ While this is not the primary aim of the policy, it reflects the broad range of behaviours among members in response to the increased flexibility of their retirement benefits.
- ❑ It is also likely to represent a positive outcome where individuals make higher contributions in order to improve their adequacy, or increase participation levels by working longer hours.
- ❑ In some cases, this may present a ‘fairness’ concern where members have high existing super balances.

Some 25.1% of TTRP members had lower super contributions and yet higher or unchanged salary levels:

- ❑ This could be a negative outcome if the lower contributions threaten the adequacy of the individuals’ superannuation balances (that is, these members’ behaviour raises adequacy concerns, though not as a result of TTR policies).
- ❑ Similarly, it could just mean that these individuals are working harder and not fully taking advantage of the tax incentives offered under the TTRP.

The detail in Table 7 may be further broken into those members commencing TTRPs who have below (Table 8) and above median superannuation balances (Table 9).

**TABLE 8: BEHAVIOURAL CHANGES – MEMBERS WITH BELOW MEDIAN SUPER BALANCES**

(% of TTRP members)		Salary		
		Higher	Unchanged	Lower
<b>Contributions</b>	<b>Higher</b>	5.5%	7.4%	7.7%
	<b>Unchanged</b>	1.2%	0.9%	1.1%
	<b>Lower</b>	6.3%	5.5%	13.7%

Individuals with below median superannuation balances (see Table 8) have displayed largely beneficial outcomes, with 37.5% having either higher or unchanged contributions.

- ❑ A higher contribution indicates adequacy issues are being addressed as individuals with previously below median super balances seek to shore up their retirement nest eggs.
- ❑ A higher salary level can indicate greater participation levels, for those individuals who were not working full time prior to taking a TTRP.
- ❑ Finally, lower salaries indicate a typical transition to retirement, with individuals working less and/or in lower paid roles while supplementing their income through the TTRP.

Individuals with above median balances (see Table 9) present a more mixed picture:

- ❑ Almost 20% had higher contributions and higher or unchanged salary levels. Given their already high super balances prior to the TTRP this could indicate they are largely taking advantage of the tax benefits.
- ❑ Around 20% had a lower contributions or a lower salary after the TTRP – indicating that they are taking advantage of the flexibility offered by their high levels of existing savings.

**TABLE 9: BEHAVIOURAL CHANGES – MEMBERS WITH ABOVE MEDIAN SUPER BALANCES**

(% of TTRP members)		Salary		
		Higher	Unchanged	Lower
<b>Contributions</b>	<b>Higher</b>	7.8%	10.8%	6.4%
	<b>Unchanged</b>	0.6%	1.7%	0.6%
	<b>Lower</b>	6.8%	6.7%	9.3%