



# Statistics

## **Superannuation Statistics Selected Feature - Accrued Default Amounts**

September 2015 (issued 19 November 2015)

## Selected feature - Accrued default amounts

This selected feature provides an overview of the transition of accrued default amounts to MySuper products offered by registered superannuation entity (RSE) licensees.

Between 30 September 2013 and 30 September 2015:

- the total value of accrued default amounts decreased by 76.5 per cent from \$220.6 billion to \$51.9 billion;
- the number of member accounts that include an accrued default amount decreased by 74.8 per cent from 9.7 million to 2.5 million; and
- the number of RSEs with an accrued default amount decreased by 57.8 per cent from 147 to 62. Of these 62 RSEs, 48 were under the trusteeship of an RSE licensee with an existing authorised MySuper product.

### Accrued default amounts

Under section 387 of the *Superannuation Industry (Supervision) Act 1993* (SIS Act), all RSE licensees must transfer the existing balances of their default members to MySuper products by 1 July 2017.<sup>1</sup>

*Prudential Standard SPS 410 MySuper Transition* (SPS 410) sets out the requirements for RSE licensees to identify members in each RSE with an accrued default amount and the amount of those balances; to prepare and implement a transition plan addressing the movement of accrued default amounts to a suitable MySuper product; and to report to APRA on the transition of accrued default amounts.<sup>2</sup>

Although SPS 410 allows for an RSE licensee to move accrued default amounts at any time up until 30 June 2017, APRA expects that the transition to a suitable MySuper product would occur at the earliest opportunity possible where it is in the best interests of beneficiaries to do so.<sup>3</sup> In exercising its powers and performing its duties in the best interest of members, an RSE licensee must identify a suitable MySuper product which is one where the RSE licensee has formed the view that the transfer of the member's accrued default amount to that MySuper product promotes the financial interests of the member or class of members. A suitable MySuper product need not be in the same RSE as the member's accrued default amount, or in any RSE within the business operations of the RSE licensee.

If an RSE licensee is unable to identify a suitable MySuper product by 30 June 2016, the RSE licensee must report to APRA, by 31 July 2016, the number of affected members and the value of the accrued default amounts for which the RSE licensee is unable to find a suitable MySuper product.

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<sup>1</sup> [http://www.austlii.edu.au/au/legis/cth/consol\\_act/sia1993473/s387.html](http://www.austlii.edu.au/au/legis/cth/consol_act/sia1993473/s387.html)

<sup>2</sup> <http://www.apra.gov.au/Super/PrudentialFramework/Documents/Prudential-Standard-SPS-410-MySuper-Transition.pdf>

<sup>3</sup> <http://www.apra.gov.au/Super/PrudentialFramework/Documents/SPG-410-February-2013.pdf>

## Basis of analysis

This feature provides information on the transition of accrued default amounts to suitable MySuper products.

It is based on information reported to APRA in quarterly reporting forms for the nine quarters from September 2013 to September 2015. In particular, this feature analyses data reported on *Reporting Form SRF 410.0 Accrued Default Amounts* (SRF 410.0). This form collects quarterly information on the value of members' benefits in accrued default amounts as well as the number of member accounts that include an accrued default amount.

The analysis includes information reported by APRA-regulated RSEs with more than four members excluding eligible rollover funds (ERFs) and approved deposit funds (ADFs). ERFs and ADFS are not eligible to offer MySuper products.

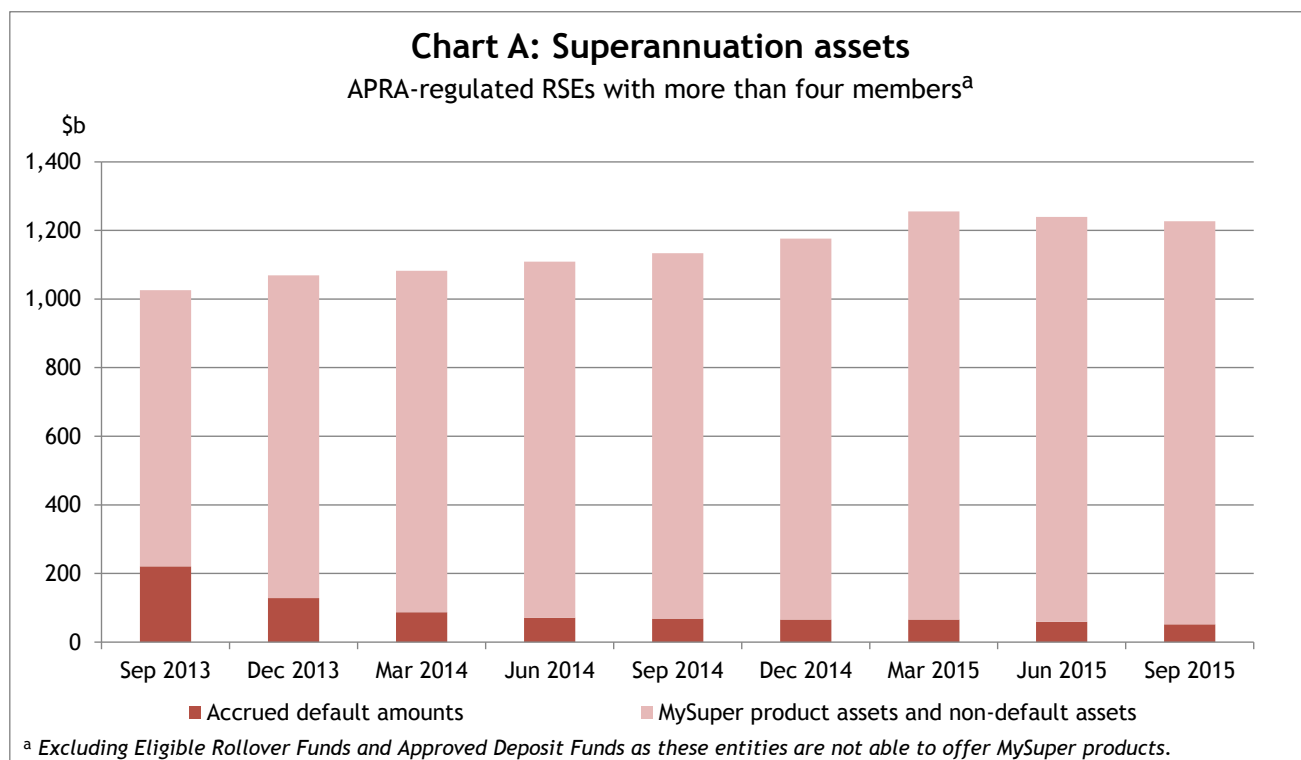
A glossary of key terms is included at Appendix A.

## Analysis

### *Assets held in accrued default amounts*

The value of members' benefits held in accrued default amounts has decreased in both absolute terms and as a percentage of total assets. RSEs are progressively transferring accrued default amounts and have already transferred around three quarters of relevant accrued default amounts to suitable MySuper products.

Chart A shows that the total accrued default amounts that have not been transferred to a suitable MySuper product decreased by \$168.7 billion (76.5 per cent), from \$220.6 billion at 30 September 2013 to \$51.9 billion at 30 September 2015.

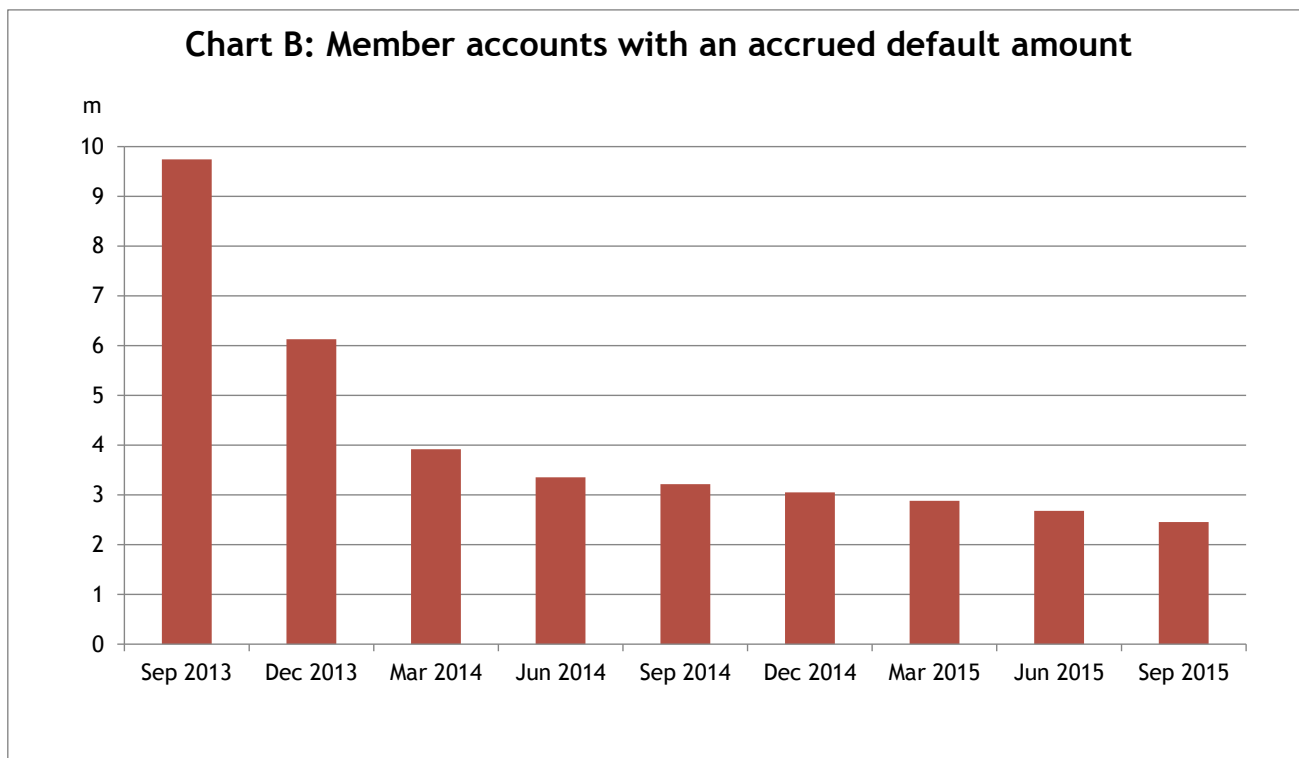


Accrued default amounts also decreased as a proportion of total assets over the nine quarters to 30 September 2015. At 30 September 2015 accrued default amounts were 4.2 per cent of total assets, compared to 21.5 per cent at 30 September 2013.<sup>4</sup>

**Member accounts with an accrued default amount**

The number of member accounts that include an accrued default amount has followed a similar trend to members’ benefits held in accrued default amounts.

Chart B shows that the number of member accounts, that include an accrued default amount, decreased by 7.3 million (74.8 per cent) from 9.7 million at 30 September 2013 to 2.5 million at 30 September 2015.

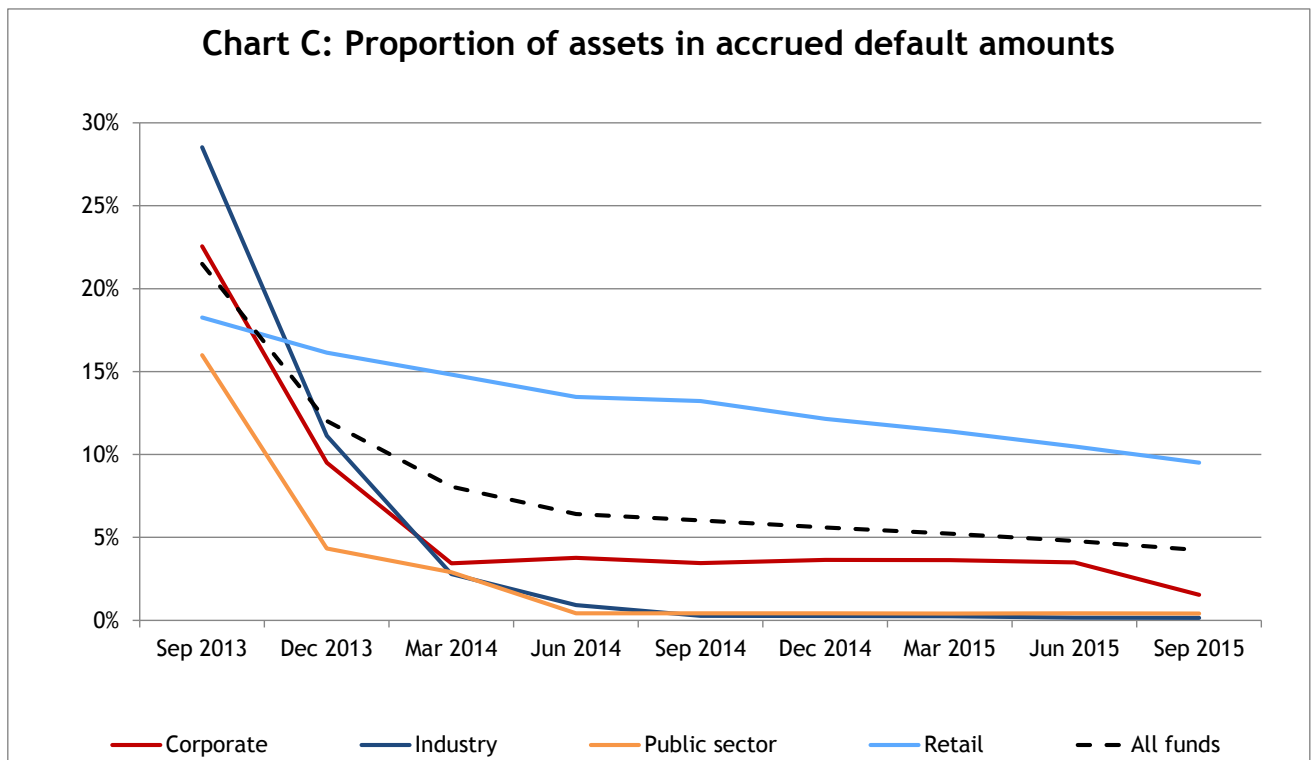


**Transition of accrued default amounts by fund type**

There has been some variation in the rate of transition of accrued default amounts to suitable MySuper products between fund type segments.

Chart C shows by fund type the trend in accrued default amounts as a proportion of total superannuation assets. Across all funds, accrued default amounts have decreased from 21.5 per cent of total assets to 4.2 per cent between 30 September 2013 and 30 September 2015. As at 30 September 2015, retail funds held 9.5 per cent of total assets in accrued default amounts, compared to 1.5 per cent for corporate funds, 0.4 per cent for public sector funds and 0.1 per cent for industry funds.

<sup>4</sup> Total assets refers to total APRA-regulated assets of RSEs with more than four members, excluding ERFs and ADFs as these entities are not able to offer MySuper products.

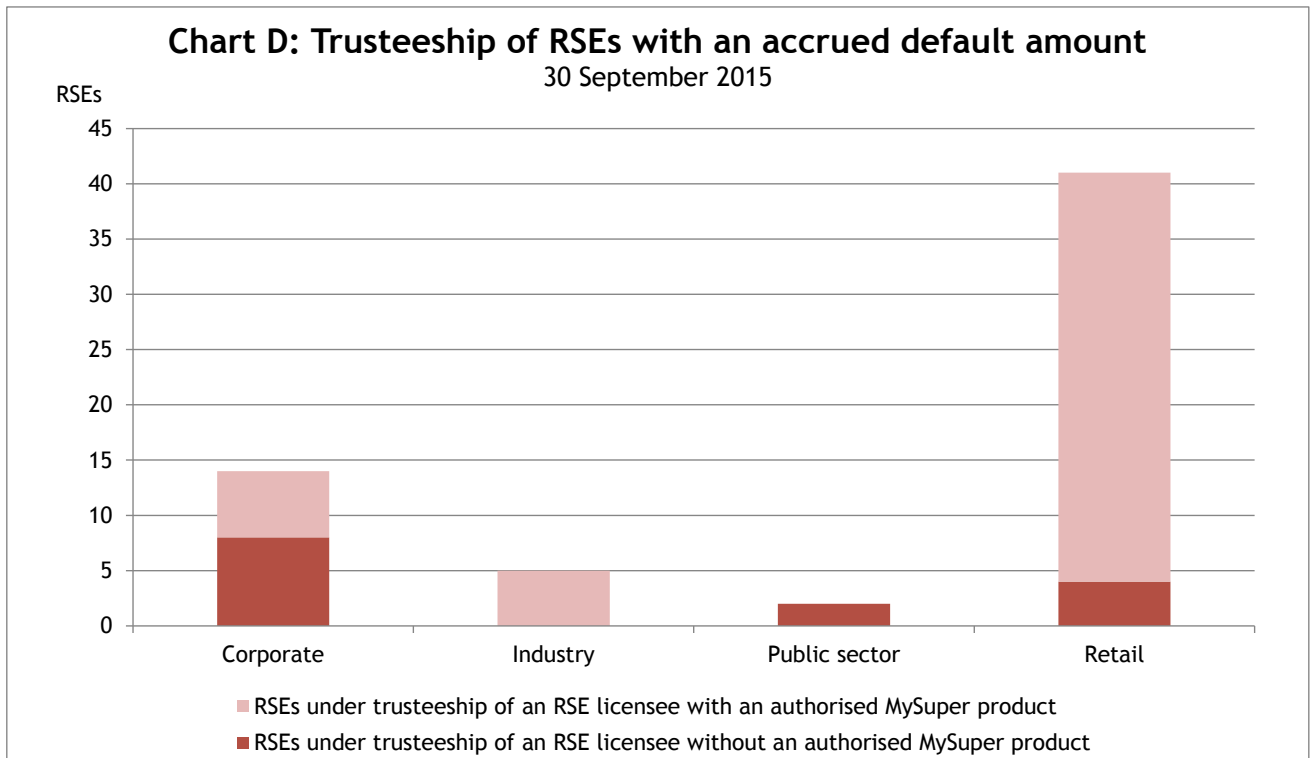


***Transition of accrued default amounts remaining***

The number of RSEs with an accrued default amount still to be transferred to a suitable MySuper product decreased by 57.8 per cent from 147 at 30 September 2013 to 62 at 30 September 2015. These 62 RSEs represent 26.6 per cent of the total RSEs with more than four members (233 RSEs) as at 30 September 2015. Of the 62 RSEs, 48 were under the trusteeship of an RSE licensee with an authorised MySuper product, while 14 were under the trusteeship of an RSE licensee with no authorised MySuper product within the business operations of the RSE licensee.

Chart D shows by fund type the proportion of affected RSEs under the trusteeship of an RSE licensee with an authorised MySuper product at 30 September 2015. Of the 14 affected RSEs that would currently need to transfer accrued default amounts outside the business operations of the RSE licensee, 8 are corporate funds, 4 are retail funds and 2 are public sector funds.

Table D details the members’ benefits in accrued default amounts as well as the number of affected member accounts for each RSE with an an accrued default still to be transferred to a suitable MySuper product as at 30 September 2015.



## Summary

With less than two years remaining until all RSE licensees must transfer the existing balances of their default members to MySuper products, 62 RSEs hold a total of \$51.9 billion (4.2 per cent of total assets) in accrued default amounts across 2.5 million member accounts.

RSE licensees have until 30 June 2016 to identify a suitable MySuper product in which to transfer affected members' accrued default amounts before reporting to APRA on the number of affected members and the value of any accrued default amounts for which the RSE licensee is unable to find a suitable MySuper product.

Table A: Transition of accrued default amounts to MySuper products

	Assets (\$ billion)								
	Sep 2013	Dec 2013	Mar 2014	Jun 2014	Sep 2014	Dec 2014	Mar 2015	Jun 2015	Sep 2015
<b>Assets<sup>1</sup></b>									
Corporate	63.2	64.2	62.3	56.7	57.8	53.8	56.9	54.4	54.1
Industry	335.8	354.1	361.5	376.1	387.9	403.1	436.8	434.1	431.4
Public sector	178.0	186.8	189.6	195.7	201.1	208.8	221.0	219.5	220.1
Retail	449.0	464.3	469.0	480.3	487.1	510.5	540.7	531.2	521.0
<b>Total assets</b>	<b>1,025.9</b>	<b>1,069.3</b>	<b>1,082.5</b>	<b>1,108.9</b>	<b>1,133.9</b>	<b>1,176.3</b>	<b>1,255.4</b>	<b>1,239.1</b>	<b>1,226.5</b>
<b>Members' benefits in accrued default amounts</b>									
Corporate	14.2	6.1	2.1	2.1	2.0	2.0	2.1	1.9	0.8
Industry	95.8	39.4	10.1	3.4	1.0	1.0	1.0	0.7	0.6
Public sector	28.5	8.1	5.5	0.8	0.8	0.9	0.9	0.9	0.9
Retail	82.0	75.0	69.5	64.7	64.4	62.0	61.6	55.7	49.6
<b>Total members' benefits in accrued default amounts</b>	<b>220.6</b>	<b>128.5</b>	<b>87.2</b>	<b>71.1</b>	<b>68.3</b>	<b>65.9</b>	<b>65.6</b>	<b>59.2</b>	<b>51.9</b>
<b>Proportion of assets in accrued default amounts (%)</b>									
Corporate	22.6%	9.5%	3.4%	3.8%	3.5%	3.6%	3.6%	3.5%	1.5%
Industry	28.5%	11.1%	2.8%	0.9%	0.3%	0.3%	0.2%	0.2%	0.1%
Public sector	16.0%	4.3%	2.9%	0.4%	0.4%	0.4%	0.4%	0.4%	0.4%
Retail	18.3%	16.1%	14.8%	13.5%	13.2%	12.1%	11.4%	10.5%	9.5%
<b>All funds</b>	<b>21.5%</b>	<b>12.0%</b>	<b>8.1%</b>	<b>6.4%</b>	<b>6.0%</b>	<b>5.6%</b>	<b>5.2%</b>	<b>4.8%</b>	<b>4.2%</b>
<b>Number of RSEs with accrued default amounts</b>									
Corporate	31	26	24	22	20	18	18	16	14
Industry	30	21	14	11	9	8	8	7	5
Public sector	9	8	6	3	3	3	3	3	2
Retail	77	71	62	53	50	50	48	42	41
<b>Total number of RSEs with an accrued default amount</b>	<b>147</b>	<b>126</b>	<b>106</b>	<b>89</b>	<b>82</b>	<b>79</b>	<b>77</b>	<b>68</b>	<b>62</b>

<sup>1</sup> Excluding Eligible Rollover Funds and Approved Deposit Funds as these entities are not able to offer MySuper products.

Table B: Affected member accounts with an accrued default amount

	Member accounts (thousands)								
	Sep 2013	Dec 2013	Mar 2014	Jun 2014	Sep 2014	Dec 2014	Mar 2015	Jun 2015	Sep 2015
<i>Affected member accounts</i>									
Corporate	233	103	34	24	20	18	18	17	8
Industry	4,688	2,220	269	27	20	18	18	10	10
Public sector	566	175	90	9	9	9	9	9	8
Retail	4,257	3,631	3,522	3,293	3,165	3,006	2,835	2,642	2,429
<b>Total number of affected member accounts</b>	<b>9,744</b>	<b>6,130</b>	<b>3,915</b>	<b>3,353</b>	<b>3,214</b>	<b>3,051</b>	<b>2,880</b>	<b>2,678</b>	<b>2,455</b>



Table C: Trusteeship of RSEs with an accrued default amount

	30 September 2015				Total
	Corporate	Industry	Public sector	Retail	
<b>Affected RSEs</b>					
RSEs under trusteeship of an RSE licensee with an authorised MySuper product	6	5	-	37	48
RSEs under trusteeship of an RSE licensee without an authorised MySuper product	8	-	2	4	14
<b>Total number of affected RSEs</b>	<b>14</b>	<b>5</b>	<b>2</b>	<b>41</b>	<b>62</b>

Table D: RSEs with members' benefits in accrued default amounts

30 September 2015

RSE Licensee	RSE	Fund type	RSE licensee with an authorised MySuper product	Members' benefits in accrued default amounts	Affected member accounts	Total assets	Accrued default amounts as a proportion of total assets
				(\$ million)		(\$ million)	(%)
AMP Superannuation Limited	AMP Retirement Trust	Retail	Yes	237.2	38,158	15,342.2	1.5%
AMP Superannuation Limited	AMP Superannuation Savings Trust	Retail	Yes	6,591.2	608,490	52,154.3	12.6%
AON Superannuation Pty Limited	AON Master Trust	Retail	Yes	329.7	12,235	2,916.2	11.3%
Alcoa of Australia Retirement Plan Pty Ltd	Alcoa of Australia Retirement Plan	Corporate	No	159.4	890	1,953.9	8.2%
BEST Superannuation Pty Ltd	Goldman Sachs & JBWere Superannuation Fund	Corporate	Yes	*	*	*	*
BT Funds Management Limited	ASGARD Independence Plan Division Two	Retail	Yes	2,223.1	77,118	20,630.7	10.8%
BT Funds Management Limited	BT Lifetime Super	Retail	Yes	299.8	17,941	2,163.2	13.9%
BT Funds Management Limited	Retirement Wrap	Retail	Yes	2,775.3	77,140	54,008.7	5.1%
BUSS (Queensland) Pty Ltd	Building Unions Superannuation Scheme (Queensland)	Industry	Yes	0.4	20	3,447.5	0.0%
C.B.H. Superannuation Holdings Pty Ltd	CBH Superannuation Fund	Corporate	No	154.9	721	237.9	65.1%
Citibank Australia Staff Superannuation Pty Limited	Citibank Australia Staff Superannuation Fund	Corporate	No	3.7	22	83.1	4.4%
Clough Superannuation Pty Ltd	Clough Superannuation Fund	Corporate	No	173.6	1,698	240.9	72.1%
Colonial First State Investments Limited	Colonial First State FirstChoice Superannuation Trust	Retail	Yes	4,432.9	164,428	63,726.0	7.0%
Colonial Mutual Superannuation Pty. Ltd.	Colonial Super Retirement Fund	Retail	No	462.5	27,998	4,360.3	10.6%
Commonwealth Bank Officers Superannuation Corporation Pty Limited	Commonwealth Bank Group Super	Corporate	Yes	156.7	2,767	9,838.8	1.6%
DBP Custodians Pty Ltd	DBP Master Superannuation Plan	Corporate	No	3.4	186	35.4	9.6%
Equipsuper Pty Ltd	equipsuper	Industry	Yes	5.1	70	7,066.2	0.1%
Equity Trustees Limited	CUBS Superannuation Fund	Retail	Yes	*	*	*	*
Equity Trustees Limited	EmPlus Superannuation Fund	Retail	Yes	93.4	19,200	161.3	57.9%
Equity Trustees Limited	Enterprise Super	Retail	Yes	23.0	5,483	87.3	26.4%
Equity Trustees Limited	Max Super Fund	Retail	Yes	16.1	733	91.4	17.7%
Equity Trustees Limited	Progress Super Fund	Retail	Yes	11.8	1,425	25.5	46.3%
Equity Trustees Superannuation Limited	EquitySuper	Retail	Yes	278.4	15,364	1,042.2	26.7%
Fire and Emergency Services Superannuation Board	Fire and Emergency Services Superannuation Fund	Public sector	No	155.1	1,716	560.0	27.7%
Holden Employees Superannuation Fund Pty Ltd	Holden Employees Superannuation Fund	Corporate	No	104.5	1,233	695.2	15.0%
I.O.O.F. Investment Management Limited	IOOF Portfolio Service Superannuation Fund	Retail	Yes	1,444.5	87,627	17,583.3	8.2%
Kellogg Superannuation Pty Limited	Kellogg Retirement Fund	Corporate	No	6.6	67	68.7	9.6%
MLC Nominees Pty Ltd	The Universal Super Scheme	Retail	Yes	9,172.9	438,225	44,644.3	20.5%
Maritime Super Pty Limited	Maritime Super	Industry	Yes	595.2	9,170	4,715.4	12.6%
Mercer Superannuation (Australia) Limited	Mercer Super Trust	Retail	Yes	2,542.2	58,057	19,718.9	12.9%
N. M. Superannuation Proprietary Limited	First Quest Retirement Service	Retail	Yes	*	*	*	*
N. M. Superannuation Proprietary Limited	Super Directions Fund	Retail	Yes	1,002.3	127,019	3,665.7	27.3%
N. M. Superannuation Proprietary Limited	Synergy Superannuation Master Fund	Retail	Yes	*	*	*	*

The symbol "\*" indicates that the data have been masked to maintain member privacy.

Table D: RSEs with members' benefits in accrued default amounts

30 September 2015

RSE Licensee	RSE	Fund type	RSE licensee with an authorised MySuper product	Members' benefits in accrued default amounts	Affected member accounts	Total assets	Accrued default amounts as a proportion of total assets
				(\$ million)		(\$ million)	(%)
NSF Nominees Pty. Limited	Nationwide Superannuation Fund	Industry	Yes	*	*	*	*
Oasis Fund Management Limited	Oasis Superannuation Master Trust	Retail	No	32.5	5,669	5,196.3	0.6%
OnePath Custodians Pty Limited	OnePath Masterfund	Retail	Yes	5,345.7	268,659	33,823.1	15.8%
PFS Nominees Pty Ltd	BHP Billiton Superannuation Fund	Retail	Yes	1,478.0	15,152	3,697.9	40.0%
PFS Nominees Pty Ltd	National Australia Bank Group Superannuation Fund A	Retail	Yes	3.6	30	4,181.4	0.1%
PFS Nominees Pty Ltd	Plum Superannuation Fund	Retail	Yes	4,416.4	70,857	17,232.3	25.6%
PFS Nominees Pty Ltd	Worsley Alumina Superannuation Fund	Retail	Yes	50.7	640	274.5	18.5%
Perpetual Superannuation Limited	Perpetual's Select Superannuation Fund	Retail	Yes	176.2	8,067	1,495.9	11.8%
PostSuper Pty Ltd	Australia Post Superannuation Scheme	Public sector	No	748.3	6,713	7,703.9	9.7%
Qantas Superannuation Limited	Qantas Superannuation Plan	Corporate	Yes	24.5	389	7,326.4	0.3%
Suncorp Portfolio Services Limited	Suncorp Master Trust	Retail	Yes	1,243.9	70,783	6,590.3	18.9%
T W U Nominees Pty Ltd	TWU Superannuation Fund	Industry	Yes	10.9	348	4,155.6	0.3%
T.E.S.T. Pty Ltd	Toyota Employees Superannuation Trust	Corporate	Yes	18.7	79	485.0	3.8%
TAL Superannuation Limited	TAL Superannuation and Insurance Fund	Retail	No	113.8	12,155	1,544.7	7.4%
The Trust Company (Superannuation) Limited	AMG Super	Retail	Yes	10.8	1,022	427.0	2.5%
The Trust Company (Superannuation) Limited	Crescent Wealth Superannuation Fund	Retail	Yes	0.2	47	87.1	0.2%
The Trust Company (Superannuation) Limited	Grosvenor Pirie Master Superannuation Fund Series 2	Retail	Yes	3.1	2,262	149.1	2.1%
The Trust Company (Superannuation) Limited	MacMahon Employees Superannuation Fund	Retail	Yes	42.2	2,331	60.8	69.4%
The Trust Company (Superannuation) Limited	Managed Australian Retirement Fund	Retail	Yes	15.2	2,404	36.1	42.1%
The Trust Company (Superannuation) Limited	Smartsave 'Member's Choice' Superannuation Master Plan	Retail	Yes	40.1	2,605	197.9	20.3%
The Trustees for Licence L0002219	Deseret Benefit Plan for Australia	Corporate	No	3.7	104	32.2	11.4%
Total Risk Management Pty Limited	Bluescope Steel Superannuation Fund	Retail	Yes	159.5	1,629	1,734.6	9.2%
Total Risk Management Pty Limited	Nestle Australia Group Superannuation Fund	Retail	Yes	164.2	1,921	715.0	23.0%
Total Risk Management Pty Limited	Russell Supersolution Master Trust	Retail	Yes	1,363.1	37,935	7,763.5	17.6%
Towers Watson Superannuation Pty Ltd	Dow Australia Superannuation Fund	Corporate	Yes	*	*	*	*
Towers Watson Superannuation Pty Ltd	Oracle Superannuation Plan	Retail	Yes	7.5	96	268.1	2.8%
Toyota Australia Superannuation Plan Pty Ltd	Toyota Australia Superannuation Plan	Corporate	Yes	16.5	32	353.9	4.7%
Westpac Securities Administration Limited	Westpac Mastertrust - Superannuation Division	Retail	Yes	2,952.0	147,832	5,808.0	50.8%
Zurich Australian Superannuation Pty Ltd	Zurich Master Superannuation Fund	Retail	No	*	*	*	*

The symbol "\*" indicates that the data have been masked to maintain member privacy.

## Appendix A - Glossary

**Accrued default amount:** the total amount attributed by the trustee to a member is defined as an accrued default amount in section 20B of the SIS Act. Either the member has given the trustee of the fund no direction on the investment option in which the amount is to be invested, or the investment option in which the total amount is invested in is one which, under the current governing rules of the fund, would be the investment option for a new member if no direction were given.

**Affected member:** for the purposes of SPS 410, an 'affected member' is a member in respect of whom the RSE licensee holds an accrued default amount.

**Affected RSE:** for the purposes of SPS 410, an 'affected RSE' is an RSE which holds any accrued default amount.

**Corporate funds:** RSEs with more than four members under the trusteeship of a 'not for profit' RSE licensee and with a corporate membership base.

**Industry funds:** RSEs with more than four members under the trusteeship of a 'not for profit' RSE licensee and with either an industry or general membership base.

**Member account:** represents a distinct entry recorded in the register of member accounts (or other equivalent mechanism).

**MySuper product:** a class of beneficial interest in a regulated superannuation fund is a MySuper product if an RSE licensee is authorised under section 29T (including section 29TA and 29TB) of the SIS Act to offer that class of beneficial interest in the fund as a MySuper product.

**Public sector funds:** RSEs with more than four members under the trusteeship of a 'not for profit' RSE licensee and with a government membership base. Public sector funds also include superannuation schemes established by a Commonwealth, State or Territory law (known as exempt public sector superannuation schemes).

**Registrable superannuation entity (RSE):** a superannuation entity, not including self-managed superannuation funds. From 1 July 2006, all trustees operating APRA-regulated superannuation entities were required to hold an RSE Licence and register their superannuation entities with APRA.

**Retail funds:** RSEs with more than four members under the trusteeship of a 'for profit' RSE licensee with a corporate, industry or general membership base.

**RSE licensee:** a constitutional corporation, body corporate or group of individual trustees that hold an RSE licence granted under section 29D of the SIS Act.



Telephone  
1300 55 88 49

Email  
[info@apra.gov.au](mailto:info@apra.gov.au)

Website  
[www.apra.gov.au](http://www.apra.gov.au)

Mail  
GPO Box 9836  
In all capital cities  
(except Hobart and Darwin)