REGULATORY GUIDE 276

Superannuation forecasts: Calculators and retirement estimates

September 2024

About this guide

This guide is for:

- superannuation trustees who provide superannuation calculators and retirement estimates to their members; and
- other providers of superannuation calculators.

It explains what providers need to do to rely on our relief in *ASIC Corporations (Superannuation Calculators and Retirement Estimates) Instrument 2022/603* in relation to superannuation calculators and retirement estimates (referred to in this guide as 'superannuation forecasts').

About ASIC regulatory documents

In administering legislation ASIC issues the following types of regulatory documents.

Consultation papers: seek feedback from stakeholders on matters ASIC is considering, such as proposed relief or proposed regulatory guidance.

Regulatory guides: give guidance to regulated entities by:

- explaining when and how ASIC will exercise specific powers under legislation (primarily the Corporations Act)
- explaining how ASIC interprets the law
- describing the principles underlying ASIC's approach
- giving practical guidance (e.g. describing the steps of a process such as applying for a licence or giving practical examples of how regulated entities may decide to meet their obligations).

Information sheets: provide concise guidance on a specific process or compliance issue or an overview of detailed guidance.

Reports: describe ASIC compliance or relief activity or the results of a research project.

Document history

This guide was issued in September 2024 and is based on legislation and regulations as at the date of issue.

Previous versions:

- Regulatory Guide 276 *Superannuation forecasts: Calculators and retirement estimates*, issued in July 2022
- Regulatory Guide 229 *Superannuation forecasts*, issued in November 2014

Disclaimer

This guide does not constitute legal advice. We encourage you to seek your own professional advice to find out how the Corporations Act and other applicable laws apply to you, as it is your responsibility to determine your obligations.

Examples in this guide are purely for illustration; they are not exhaustive and are not intended to impose or imply particular rules or requirements.

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A Overview

Key points

A superannuation forecast is a numerical indication provided to a superannuation fund member (member) or other person of the balance of their superannuation investment at retirement, or of their income during retirement. A superannuation forecast can be provided in the form of a superannuation calculator or as a retirement estimate.

This guide explains the relief we have given to superannuation trustees (trustees) that provide superannuation calculators and retirement estimates to their members. It also explains the relief we have given to other providers of superannuation calculators.

This guide sets out:

- how our relief for superannuation forecasts applies (see Section B);
- how a forecast can be presented, the disclosures it must include, and when and how a retirement estimate may be given (see Section C); and
- how the default assumptions that are used in working out a forecast are to be set (see Section D).

The purpose and benefits of superannuation forecasts

What are superannuation forecasts?

RG 276.1 A superannuation forecast is a numerical indication provided to a member or other person (referred to in this guide as a ‘user’) of the balance of their superannuation investment at retirement, or of their income during retirement, taking into account:

(a) their current account balance;

(b) the impact of fees; and

(c) assumptions about future contributions, earnings and other matters.

RG 276.2 A superannuation forecast may be provided in the form of a calculator that is not personalised to any particular person and that involves, to some extent, the input of certain information by users of the calculator.

RG 276.3 A superannuation forecast may also be generated by a trustee using data it has on a member and provided to the member in the form of a statement (referred to in this guide as a ‘retirement estimate’). This can be a fixed statement (referred to as a ‘static retirement estimate’) or a statement provided through an interactive tool that allows members to input or change certain assumptions (referred to as an ‘interactive retirement estimate’).

Potential benefits for users

RG 276.4 Most Australians do not engage fully with their superannuation. They may have little idea of how much income they will have in retirement and how this compares to the amount they will need.

RG 276.5 Superannuation forecasts can help some users to think about how superannuation can be part of their retirement income by, for example, prompting them to review their situation and seek further information.

RG 276.6 Superannuation calculators (sometimes called 'retirement calculators') can allow users to explore their future retirement income by inputting their own information or assumptions. For example, calculators may be used to illustrate the effects on a user's retirement benefit of:

(a) making alternative decisions;

(b) paying different levels of fees; or

(c) retiring at different ages.

RG 276.7 Retirement estimates can provide an accessible starting point for members to consider whether their superannuation is likely to provide them with adequate income in retirement. Such forecasts may serve as a prompt for further investigation of issues that are relevant to a member's retirement income.

RG 276.8 We think that superannuation calculators and retirement estimates both play an important and complementary role.

RG 276.9 However, both types of superannuation forecast have limitations. They are based on assumptions about economic and financial conditions over long periods, as well as assumptions about a user's future circumstances (e.g. income and retirement age). This means there are inherent limitations on the accuracy of these forecasts and thus on their usefulness as a basis for making financial decisions.

Superannuation forecasts may involve personal advice

RG 276.10 Superannuation forecasts, whether delivered as a superannuation calculator or a retirement estimate, may involve personal advice.

RG 276.11 Without relief, trustees that give their members superannuation forecasts may need to hold an Australian financial services (AFS) licence with an authorisation to give personal advice, and comply with requirements relating to personal advice in *Corporations Act 2001* (Corporations Act), including the requirement to prepare Statements of Advice, when providing superannuation forecasts.

RG 276.12 Without our relief, these requirements would also apply to providers of superannuation calculators who are not trustees.

Our relief for superannuation forecasts

RG 276.13 ASIC understands that regulatory requirements under the Corporations Act and/or uncertainty about how they apply may inhibit the provision of superannuation calculators and retirement estimates, particularly because these tools are often provided free of charge.

RG 276.14 For this reason, we have given relief to providers of superannuation forecasts in *ASIC Corporations (Superannuation Calculators and Retirement Estimates) Instrument 2022/603* (referred to in this guide as 'our relief').

RG 276.15 ASIC Instrument 2022/603 gives relief from requirements relating to financial product advice in the Corporations Act. The instrument does not give relief from other relevant provisions relating to superannuation forecasts, such as prohibitions on misleading or deceptive conduct: see RG 276.21–RG 276.24.

RG 276.16 Under our relief, providers of superannuation forecasts must take steps to minimise the risk of their forecasts being misleading. Our relief also does not permit providers to use forecasts to advertise or promote specific financial products. We do not think that this is consistent with the purpose of superannuation forecasts and would pose particular risks to consumers: see RG 276.86–RG 276.93.

RG 276.17 To rely on our relief:

(a) a superannuation forecast must meet certain mandatory disclosure and presentation requirements, and must not advertise or promote a specific financial product (see Section C); and

(b) the default assumptions used to work out the superannuation forecast must be reasonable and set according to our requirements (see Section D).

RG 276.18 It is not mandatory for a trustee to provide superannuation calculators or retirement estimates to its members. However, trustees may choose to make use of our relief in ASIC Instrument 2022/603 to help members think about how much income they could have in retirement.

RG 276.19 Trustees could do this by:

(a) allowing members to input their own information into a superannuation calculator to obtain an indication of their retirement income; or

(b) providing members with a retirement estimate.

RG 276.20 Members can also access the general information about superannuation and retirement income, including calculators, that is available on ASIC's Moneysmart website to help them understand how various factors may influence their superannuation balance and retirement income.

Other requirements that continue to apply

RG 276.21 Superannuation forecasts, including the accompanying disclosures, are subject to the prohibition against misleading or deceptive conduct in the Corporations Act and the *Australian Securities and Investments Commission Act 2001* (ASIC Act). A provider must not give a user a superannuation forecast if doing so would be misleading or likely to mislead.

RG 276.22 The prohibition on misleading or deceptive conduct applies regardless of whether or not superannuation forecasts are provided under our relief. However, we are likely to take into account whether a provider of a superannuation forecast is complying with the requirements of the relief in ASIC Instrument 2022/603 when considering action for misleading or deceptive conduct.

RG 276.23 Providers of superannuation forecasts can reduce the risk of the forecast being misleading or likely to mislead by following the guidance we have set out in this guide, including our guidance on:

(a) presenting and disclosing forecasts in Section C; and

(b) setting reasonable default assumptions in Section D.

RG 276.24 We consider that providers who rely on our relief to provide superannuation forecasts are likely to meet the requirement to ensure they have reasonable grounds for making a representation in relation to a future matter concerning a financial product: see s769C of the Corporations Act, s12BB of the ASIC Act. This is on the basis that the trustee or other provider complies with all requirements of our relief, including the requirement that the assumptions are reasonable for the purpose of working out the calculation or estimate.

B Our relief for superannuation forecasts

Key points

ASIC Instrument 2022/603 gives relief from requirements relating to personal advice in the Corporations Act, subject to conditions, to providers of:

- superannuation calculators (see RG 276.25–RG 276.28); and
- retirement estimates (see RG 276.29–RG 276.42).

There are requirements to notify ASIC of non-compliance with the relief and keeping records: see RG 276.43–RG 276.49.

Providers of superannuation forecasts that do not meet the requirements of our relief in ASIC Instrument 2022/603 may:

- provide a user with a forecast that involves providing personal advice and by complying with the personal advice requirements in the Corporations Act;
- seek individual relief; or
- provide a user with a forecast that is factual information: see RG 276.50–RG 276.56.

Relief is also available for generic financial calculators that are not superannuation calculators: see RG 276.57–RG 276.60.

Relief for superannuation calculators

RG 276.25 A superannuation calculator can be a facility, device, table or other thing (including an online tool) that uses, as a minimum, certain default assumptions to work out a numerical calculation (or find out the result of a numerical calculation) about a superannuation product.

RG 276.26 We give relief to providers of superannuation calculators from the requirement to hold an AFS licence: see ASIC Instrument 2022/603. Where providers already hold an AFS licence, we give relief from the requirements relating to advice in Divs 2, 3 and 4 of Pt 7.7 of the Corporations Act.

RG 276.27 Unlike retirement estimates, a superannuation calculator does not use information the provider (such as a trustee) may hold about a user unless the user has inputted that information.

RG 276.28 Our relief for superannuation calculators is given on certain conditions:

(a) the superannuation calculator does not advertise or promote a specific financial product and complies with presentation and disclosure requirements (see Section C); and

(b) the default assumptions are reasonable and set according to our requirements (see Section D).

Relief for retirement estimates

RG 276.29 A retirement estimate is a superannuation forecast generated by a trustee using data it has on a member and provided to the member in the form of a statement.

RG 276.30 An interactive retirement estimate is a retirement estimate provided through an interactive tool that allows members to input or change certain assumptions. It differs from a superannuation calculator in that the default assumptions are based on data a trustee has on the member (rather than being generic defaults).

RG 276.31 ASIC Instrument 2022/603 provides licensing relief to trustees who give retirement estimates to their existing members. Where a trustee already holds an AFS licence, we give relief from the requirements relating to advice in Divs 2, 3 and 4 of Pt 7.7 of the Corporations Act.

RG 276.32 Our relief for retirement estimates is given on certain conditions:

(a) the retirement estimate does not advertise or promote a specific financial product (except to the extent necessary to provide the estimate) and it complies with presentation and disclosure requirements (see Section C);

(b) the retirement estimate is included in, or accompanies, the member's periodic statement or is made available electronically through the member's online portal (see Section C); and

(c) the member's retirement benefit is worked out using the default assumptions, except to the extent that the member inputs or changes the assumptions in an interactive retirement estimate (see Section D).

RG 276.33 Our relief for retirement estimates is limited to retirement estimates provided to members who:

(a) have been members of the fund for the year ending on the date of the estimate;

(b) are not receiving a transition to retirement income stream in relation to the superannuation entity at the date of the estimate;

(c) in the case of a static retirement estimate—hold a superannuation product that is in the accumulation phase at the date of the estimate;

(d) have made or received a contribution to their account with the fund in the 16 months before the date of the estimate (unless the member holds a superannuation product in the retirement phase at the date of the estimate);

(e) have an account balance with the fund of $6,000 or greater at the date of the estimate; and

(f) do not a have a defined benefit interest in the fund.

RG 276.34 We have restricted the cohort of members who may receive retirement estimates because, for those groups of members who are excluded, we consider that a retirement estimate is likely to be misleading, regardless of how the retirement estimate is worked out.

RG 276.35 For example, a retirement estimate is likely to be misleading for members who do not have a predictable pattern or level of future contributions, or for whom the economic and financial assumptions a trustee may set under our relief are unlikely to be suitable (such as members with a transition to retirement income stream or defined benefit interest).

RG 276.36 Some restrictions on the cohort of members who may receive retirement estimates are point-in-time characteristics. This means that individual members may move in and out of this cohort over time. For example, a member in the accumulation phase with an account balance below $6,000 and no contributions could be given a retirement estimate when their account balance has increased to $6,000 or greater and a contribution has been made or received.

RG 276.37 The relief for retirement estimates is limited to the cohort of members in RG 276.33, but this does not mean that trustees should give retirement estimates to all of these persons. Trustees must not give a retirement estimate to a member in this cohort if it is misleading or likely to mislead: see RG 276.21–RG 276.23.

RG 276.38 Trustees seeking to provide retirement estimates to members who do not meet the criteria in ASIC Instrument 2022/603 can apply for individual relief: see RG 276.50–RG 276.53.

How the relief applies to users in the accumulation and retirement phase

RG 276.39 A provider can make available a superannuation calculator to users who are currently in either the accumulation or retirement phase under our relief.

RG 276.40 A trustee may give a static retirement estimate to a member who is in the accumulation phase under our relief, but not to a member who holds a superannuation product in the retirement phase. We think it can be misleading to give static retirement estimates to members in the retirement phase because the member would not be able to input or change the assumptions to better match their current personal circumstances (e.g. assumptions relating to age pension eligibility in a situation where the member may have already reached the age pension age).

RG 276.41 A trustee may choose to give an interactive retirement estimate to members who are currently in either the accumulation or retirement phase under our relief. An interactive retirement estimate allows members to input or change the assumptions and so reduces the risk that the estimate will be misleading.

RG 276.42 However, a trustee must not give a retirement estimate (static or interactive) to members who receive a transition to retirement income stream or who have a defined benefit interest in the fund. A retirement estimate worked out in accordance with the default assumptions required in ASIC Instrument 2022/603 is likely to be misleading for these members: see RG 276.35.

Breach reporting and record keeping

Notifying ASIC of breaches

RG 276.43 The requirement to notify ASIC of breaches is an important element of the effective regulation of superannuation forecasts. It is also consistent with our approach in ASIC Instrument 2016/207: see Regulatory Guide 167 *AFS licensing: Discretionary powers* (RG 167) at RG 167.111–RG 167.116.

RG 276.44 If a provider is relying on our relief and has reasonable grounds to believe it has failed, other than in an immaterial respect, to comply with a condition, the provider must notify ASIC of the breach in writing within 30 days of becoming aware of the breach.

RG 276.45 Whether a breach is material will depend on the individual circumstances of the breach. Consistent with our approach in ASIC Instrument 2016/207, we consider that an immaterial breach is a breach of a technical or trivial kind. In the case of superannuation calculators and interactive retirement estimates, see the example in RG 167 at RG 167.114.

RG 276.46 A provider should report a breach through the ASIC Regulatory Portal. For information on how to notify ASIC of reportable situations through the portal, see How to submit a reportable situation on the ASIC website.

RG 276.47 In determining any regulatory response, we will consider the nature, scope and effect of any breach, including whether the provider has identified the cause of the breach and addressed it so that it is unlikely to recur.

Keeping records

RG 276.48 A trustee or other provider must keep a copy of the superannuation calculator or retirement estimate provided under our relief for seven years from the date the calculator or estimate was last made available.

RG 276.49 In the case of a superannuation calculator that is an electronic facility or device, and an interactive retirement estimate:

(a) the copy held by the trustee or provider must be functional—that is, able to reproduce each actual use of the calculator or estimate by an individual user; and

(b) the calculator or estimate must not prevent the user from readily printing or electronically storing the estimate.

Superannuation forecasts that do not rely on our relief

RG 276.50 We think that the relief in ASIC Instrument 2022/603 balances two elements: the need to encompass a wide variety of situations and superannuation products, and the need to keep the relief arrangements simple and relevant for most cases.

RG 276.51 In some situations, it may not be appropriate or possible for a provider to rely on the relief in ASIC Instrument 2022/603. In these situations, a provider seeking to provide a superannuation forecast can do so by:

(a) giving the user a forecast that involves providing personal advice and by complying with the personal advice requirements in the Corporations Act;

(b) applying to ASIC for individual relief; or

(c) giving the user a forecast that is factual information (see RG 276.54–RG 276.56).

RG 276.52 If a provider already holds an AFS licence with an authorisation to give personal advice, the provider is free to give personal advice in any way it chooses, including by giving forecasts, as long as the personal advice requirements in the Corporations Act are complied with.

RG 276.53 Where it is not practical to give licensed personal advice that complies with all of the requirements in the Corporations Act, providers could apply to ASIC for individual relief. In assessing applications for relief, ASIC considers the likelihood of user detriment and how to minimise the scope for superannuation forecasts to be used to advertise or promote financial products, among other factors.

Note: For more information on ASIC's powers to give relief, including factors we may consider and how to apply for relief, see Regulatory Guide 51 *Applications for relief* (RG 51) and Section B of RG 167.

Calculators and estimates that are factual information

RG 276.54 If a provider does not provide financial product advice when giving a user a superannuation calculator or retirement estimate, it is likely to be providing factual information and may not need to rely on the relief in ASIC Instrument 2022/603.

Note: For more information on providing factual information, and the difference between factual information and financial product advice, see Regulatory Guide 36 *Licensing: Financial product advice and dealing* (RG 36) and Regulatory Guide 244 *Giving information, general advice and scaled advice* (RG 244).

RG 276.55 Examples of a superannuation calculator or retirement estimate that may be factual information include:

(a) a superannuation calculator that works out the amount of a user's compulsory superannuation contributions based on information the user has inputted about their salary; and

(b) a retirement estimate given to a member who is about to retire that shows their lump sum on retirement and does not require assumptions to be made about future contributions or investment earnings.

RG 276.56 If a user is given a superannuation calculator or retirement estimate that is factual information, the provider should inform the user that it is only factual information and not general or personal advice.

Relief for other financial calculators

RG 276.57 ASIC provides relief under ASIC Instrument 2016/207 for providers of certain other financial calculators from certain requirements relating to personal advice in the Corporations Act. This relief has been in place since 2005.

RG 276.58 ASIC Instrument 2016/207 gives relief from the requirement to hold an AFS licence to providers of financial calculators that do not advertise or promote a specific financial product. Where providers already hold an AFS licence, it gives relief from the requirements relating to advice in Divs 2, 3 and 4 of Pt 7.7 of the Corporations Act: see Section E of RG 167.

RG 276.59 ASIC Instrument 2016/207 applies to financial calculators in general (excluding superannuation calculators), such as calculators relating to insurance.

RG 276.60 A calculator that relates to a superannuation product is not covered by the relief in ASIC Instrument 2016/207, even if it also relates to other kinds of financial product.

C Presentation and disclosure of superannuation forecasts

Key points

Providers of superannuation calculators and retirement estimates have flexibility in how they present forecasts to users, subject to meeting the requirements in ASIC Instrument 2022/603. For retirement estimates, these requirements include presenting the retirement benefit as a retirement balance and as an annual income stream: see RG 276.61–RG 276.79.

Providers must disclose how the forecast was worked out and its limitations but have flexibility in how they make these disclosures: see RG 276.80–RG 276.85.

Providers must not use a superannuation forecast to advertise or promote a specific financial product: see RG 276.86–RG 276.93.

We expect providers to adopt good practices that can help users to think about their income in retirement: see RG 276.94–RG 276.98.

Superannuation trustees can give a retirement estimate to a member:

- at the same time as their periodic statement, or at any time if delivered electronically through the member's online portal (see RG 276.99–RG 276.104); and
- as an interactive retirement estimate that allows the member to input or change certain assumptions (see RG 276.105–RG 276.108).

Presentation requirements

RG 276.61 Providers of superannuation forecasts have flexibility in how they can present these forecasts to users, provided they meet the requirements in ASIC Instrument 2022/603 relating to:

(a) elements that must or must not be presented as part of a forecast (see RG 276.66–RG 276.79);

(b) required disclosures (see RG 276.80–RG 276.85);

(c) not advertising or promoting a specific financial product (see RG 276.86–RG 276.93); and

(d) setting the default assumptions (see Section D).

RG 276.62 Providers must also not provide a forecast if it is misleading or likely to mislead: see RG 276.21–RG 276.23.

RG 276.63 Providers may make their own choices about:

(a) the branding, design and layout of the forecast;

(b) the placement of the required disclosures;

(c) the inclusion, or otherwise, of diagrams, tables and graphs; and

(d) whether to provide the forecast in writing, or by video or audio: see also RG 276.102.

RG 276.64 We think that giving trustees and other providers flexibility in how they present superannuation forecasts will allow them to tailor these forecasts to the needs of their users. We think that a flexible approach can also support innovation in developing new and effective ways to communicate with users.

RG 276.65 However, we expect providers to take a consumer-centric approach by using this flexibility in a way that is helpful for users and consistent with the purpose of superannuation forecasts to provide some users with an indication of how much income they could have in retirement. We have identified some good practices for providers to consider when giving a superannuation forecast: see RG 276.94–RG 276.98.

Superannuation calculators

RG 276.66 Our relief does not prescribe how to present a superannuation calculator. Providers of superannuation calculators have discretion whether or not to:

(a) display a forecast of a user's superannuation balance at retirement, annual retirement income, or both;

(b) include age pension amounts in retirement income;

(c) allow the user to calculate how long a specified annual spending level could be sustained in retirement;

(d) present the result in the form of a confidence interval (i.e. range) or display numerical confidence or risk levels alongside the result (see RG 276.166–RG 276.172); or

(e) illustrate the effect of alternative scenarios (based on different combinations of assumptions).

RG 276.67 We think that providers should have flexibility to design superannuation calculators that meet the needs of their users, subject to meeting the requirements in ASIC Instrument 2022/603: see RG 276.61.

RG 276.68 A superannuation calculator must contain the required disclosures, including a clear and prominent statement of what assumptions have been used in working out the calculation and an explanation of why these assumptions are reasonable for the purpose of working out the calculation: see RG 276.80–RG 276.85.

Retirement estimates

RG 276.69 To rely on the relief given in ASIC Instrument 2022/603, a trustee must present certain elements as part of a retirement estimate (including an interactive retirement estimate).

RG 276.70 Setting presentation requirements ensures that key elements are present in all retirement estimates. This will help members to know what to look for in their retirement estimate, particularly those members who move to a different superannuation fund, or who have more than one fund.

RG 276.71 The amount shown as the estimated retirement benefit must be presented in today's dollars: see RG 276.188.

RG 276.72 The estimated retirement benefit must also be presented as both:

(a) a retirement balance (i.e. the estimated lump sum amount at retirement); and

(b) an annual income stream (i.e. retirement income).

RG 276.73 Both the retirement balance and annual income stream must be rounded to the nearest three significant figures. For example, an amount of $23,289 should be rounded to $23,300.

RG 276.74 The annual income stream may be presented as an income amount for each year of the drawdown period or as an annual average income amount. Age pension amounts may be included as part of the annual income stream: see RG 276.160–RG 276.165.

RG 276.75 An interactive retirement estimate may include risk measures alongside the primary (or central) estimate of the member's retirement benefit (retirement balance and annual income): see RG 276.166–RG 276.172.

RG 276.76 Under our relief, a static retirement estimate may show only one estimate of the member's retirement benefit (retirement balance and annual income). It cannot contain risk measures or be used to illustrate the effect of alternative scenarios. We consider that including additional features in a static retirement estimate will undermine the key message and may be confusing for members.

RG 276.77 A retirement estimate must also contain the required disclosures, including a clear and prominent statement of what assumptions have been used in working out the estimate and an explanation of why these assumptions are reasonable for the purpose of working out the estimate: see RG 276.80–RG 276.85.

RG 276.78 Additional information may be presented alongside a retirement estimate. For example, a trustee could include a statement that the member can see how changes in factors such as contribution rates or their retirement age can affect their retirement income by using an interactive retirement estimate or superannuation calculator. A trustee could also present factual information alongside an estimate (such as information about age pension eligibility criteria and payment rates) or a qualitative explanation of the risk or uncertainty inherent to the estimate.

RG 276.79 Additional information may help members to understand their forecasts. However, any additional information must not be misleading and must not be used to advertise or promote a specific financial product: see RG 276.21–RG 276.23 and RG 276.86–RG 276.93.

Disclosure requirements

RG 276.80 Superannuation forecasts have the potential to mislead or confuse users. Clear and accurate disclosure is necessary (but not sufficient) to help manage these risks, including the risk of users thinking that a forecast can be relied on to make a decision about a specific financial product.

> Note: For other practices that can help manage the risks of misleading or confusing users, see RG 276.94–RG 276.98.

RG 276.81 ASIC Instrument 2022/603 requires providers of superannuation forecasts to disclose certain information as part of the forecast if they are to rely on our relief.

RG 276.82 To rely on our relief, providers must take reasonable steps to ensure the superannuation calculator or retirement estimate displays, or has printed on it, a clear and prominent:

(a) statement about the purpose and limitations of the calculator or estimate;

(b) explanation of the impact of any significant limitation of the calculator or estimate;

(c) statement of the assumptions;

(d) explanation of why the assumptions (unless inputted or changed by the user) are reasonable for the purpose of working out the calculation or estimate;

(e) statement setting out the value of the calculation or estimate in today's dollars (i.e. present value) and identifying that the amount is the value of the calculation or estimate (see RG 276.188–RG 276.197); and

(f) statement to the effect that the superannuation calculator or retirement estimate is not intended to be relied on for the purpose of making a decision about a financial product and that users should consider obtaining advice from an AFS licensee before making any financial decisions.

RG 276.83 The required disclosures in RG 276.82 must contain as much detail as a retail client using the superannuation calculator or retirement estimate would reasonably expect to find given the nature of the calculator or estimate.

RG 276.84 There are limits to the effectiveness of disclosure. For example, not all users read disclosure material or respond to disclosures in the same way. We expect providers to present superannuation forecasts, including the mandatory disclosures, in a way that minimises confusion for the users who are using the forecast. For guidance on good practices, see RG 276.94–RG 276.98.

Note: For more information on the limitations of disclosure, see Report 632 *Disclosure: Why it shouldn't be the default* (REP 632) released 14 October 2019.

RG 276.85 As part of the requirement to give a clear and prominent explanation of why the default assumptions are reasonable, a trustee giving a retirement estimate may provide a clear and prominent statement that:

(a) some assumptions are based on the member's superannuation product, investment strategy or other personal factors; and/or

(b) some default assumptions do not necessarily reflect the way the member's superannuation is currently invested.

No advertising or promotion of specific financial products

RG 276.86 It is a requirement of our relief that:

(a) a superannuation calculator must not advertise or promote a specific financial product; and

(b) a retirement estimate must not advertise or promote a specific financial product other than to the extent necessary to provide the estimate.

RG 276.87 If a superannuation forecast advertises or promotes a specific financial product (e.g. one of a trustee's superannuation or retirement income products), it increases the risk that users will, for example:

(a) misunderstand the purpose of the forecast;

(b) place too much reliance on the forecast when making financial decisions;

(c) assume the forecast is a complete substitute for personal advice from a registered financial adviser who is authorised to provide personal advice; and

(d) assume the forecast is making a recommendation that is in the user's best interest and takes into account their objectives, financial situation and needs.

RG 276.88 Our approach to the requirements in ASIC Instrument 2022/603 is consistent with our approach to the requirements in ASIC Instrument 2016/207 (as it applies to other generic financial calculators) and our guidance in RG 167 at RG 167.72–RG 167.79.

RG 276.89 We consider that a superannuation forecast does not advertise or promote a specific financial product merely because the default assumptions are the same as the actual features of a specific financial product (e.g. fees) or set with regard to a specific financial product (e.g. rate of investment earnings). Providers may refer to the specific financial product, but only as part of the mandatory disclosures about why the assumptions are reasonable for working out the estimate and only if it is material to that disclosure.

RG 276.90 If a provider refers to a specific product in their disclosure, they should ensure that the disclosure is less prominent than any other information about the reasonableness of assumptions and the calculator or estimate itself. This is consistent with our guidance for generic calculators in RG 167 at RG 167.95–RG 167.96.

RG 276.91 For retirement estimates, we recognise that it may not be possible for a trustee to omit the name of the superannuation product(s) or investment option(s) a member is currently invested in, as retirement estimates may be given on or with a periodic statement or via a member's online portal: see RG 276.99–RG 276.104. Omitting this information may also be confusing for the member.

RG 276.92 We consider that referring to the member's current superannuation product or investment option(s) is necessary for providing a retirement estimate and would not in itself breach the requirement in ASIC Instrument 2022/603 to not advertise or promote a specific financial product.

RG 276.93 However, a trustee may breach the requirement if the trustee refers to other products or investment options that the member is not currently invested in, or that are not relevant to the retirement estimate provided to the member. For example, referring to a specific retirement product may not be relevant except where certain default assumptions for the retirement phase have been set with regard to that product, and the disclosure referring to the specific product is less prominent than other information: see RG 276.89–RG 276.90.

Good practices for presenting superannuation forecasts

RG 276.94 We expect providers of superannuation forecasts to provide these forecasts in a way that helps users think about their income in retirement. We acknowledge different users will interpret and use superannuation forecasts in different ways. We also acknowledge that disclosure alone does not remove the risk of users being confused by forecasts or using them in unintended ways: see RG 276.84.

RG 276.95 We expect providers to present forecasts in a consumer-centric way that puts the needs of the user first. To do this, they should consider how different users may use their superannuation forecasts and use insights into user behaviour to inform how they give forecasts. Providers should design their forecasts to meet the needs of users while seeking to minimise confusion, misunderstanding and overreliance on forecasts (e.g. by using simple language to explain the forecast, outlining which factors have and have not been taken into account, and layering the disclosures based on which information users may find most useful). Providers should consider the limitations of disclosure and ways in which quantitative information can be misunderstood.

RG 276.96 Providers should consider the overall framing of a superannuation forecast and any information that accompanies it. The way a forecast is presented, or the material that sits alongside it, could be confusing for some users, particularly if it acts to undermine the purpose of the forecast. It could also, in some circumstances, be misleading or likely to mislead.

RG 276.97 We especially encourage providers to monitor—and undertake testing—to understand if and how users access, understand and use superannuation forecasts and the information being conveyed. Providers should seek to draw on credible and reliable data sources and information that is fit for purpose and unbiased. This can help to manage the risks that forecasts may confuse users and can provide a rich evidence base for providers to refine and improve their forecasts to suit the needs of users.

RG 276.98 We think it is good practice to refer users to other sources of information or tools they may find helpful. This could include referring users to a superannuation calculator or an interactive retirement estimate, or to ASIC's Moneysmart website.

When and how retirement estimates may be given

RG 276.99 If a trustee relies on the relief we have given in ASIC Instrument 2022/603 for retirement estimates, it may give its members their retirement estimates at the same time as it gives them their periodic statements. Receiving their statements and retirement estimates at the same time may also enhance members' understanding of both documents, as they will be able to cross-reference information in each.

RG 276.100 If a trustee chooses to give a retirement estimate alongside a periodic statement, it has flexibility in whether to incorporate the retirement estimate into the same document as the periodic statement or provide it in a separate document that accompanies the periodic statement. This is regardless of whether members receive their periodic statement in writing or electronically.

RG 276.101 For example, if a member is sent their periodic statement by mail, and the trustee produces a separate retirement estimate for them, the two documents should be mailed together. If the member is provided with an email notification that their periodic statement is available for viewing online, the notification should also refer them to the retirement estimate.

RG 276.102 A retirement estimate will usually be in the form of a written statement, but it does not have to be. A trustee may choose to give a retirement estimate to its members in another format, such as by video or audio, or a combination of formats. If a trustee does so, the estimate must meet all the requirements of ASIC Instrument 2022/603, including requirements for the presentation and disclosure of retirement estimates as set out in this section.

RG 276.103 A trustee may also give members their retirement estimates electronically when they log in to the fund's website to access their account information using the member's online portal. We think that making a retirement estimate visible on a member's online portal may make it more likely that the member will see and engage with their retirement estimate. It would also allow members to cross-reference the retirement estimate with other information in their online portal, and it may allow members to receive more timely estimates based on their current balance in the fund.

RG 276.104 If a trustee chooses to give a member their retirement estimate through the member's online portal, it is not required to also provide a retirement estimate on (or alongside) their periodic statement, and vice versa. However, a trustee may choose to deliver retirement estimates to a member through both the member's online portal and the periodic statement. There are no restrictions on how frequently trustees may give a retirement estimate to their members.

Interactive retirement estimates

RG 276.105 An interactive retirement estimate is a retirement estimate that is worked out using data a trustee has on a member, but where the member can also interact with the estimate by inputting or changing certain assumptions. For example, the estimate could be an electronic facility on a member's online portal.

RG 276.106 An interactive retirement estimate differs from a superannuation calculator because the default assumptions are based on data a trustee has on the member (rather than being generic defaults): see RG 276.30.

RG 276.107 We think that interactive retirement estimates can help members to engage with their estimate by inputting information or changing assumptions to better reflect their personal circumstances or to explore the impact of different scenarios. Interactive retirement estimates allow members to do this without needing to access a superannuation calculator and re-input information about their age, current balance and other factors.

RG 276.108 If a trustee chooses to provide an interactive retirement estimate, it must:

(a) set the default assumptions according to the requirements in ASIC Instrument 2022/603 for retirement estimates, including using specific types of data a trustee has about its members (see Section D); and

(b) allow the member to change any of the assumptions that are applied in working out the estimate, except for statutory assumptions or assumptions about how the superannuation balance is drawn down in retirement (excluding the retirement age and length of the drawdown period, which the user must be allowed to change) (see RG 276.118).

D Default assumptions in superannuation forecasts

Key points

ASIC Instrument 2022/603 sets out requirements for the default assumptions trustees and other providers must set for a superannuation calculator or retirement estimate when relying on our relief: see RG 276.109–RG 276.123.

These requirements vary depending on whether the assumptions relate to:

- investment returns (see RG 276.124–RG 276.136);
- retirement income (see RG 276.137–RG 276.172);
- factors personal to the user (see RG 276.173–RG 276.187); or
- factors external to the user (see RG 276.188–RG 276.200).

Where providers have flexibility to set their own default assumptions, they must ensure that these assumptions are reasonable for the purpose of working out the calculation or estimate: see RG 276.201–RG 276.222.

Making assumptions

RG 276.109 Superannuation forecasts (i.e. superannuation calculators and retirement estimates) involve a degree of inherent uncertainty. This is because the forecasting process requires making assumptions about several factors. What eventuates is likely to differ from what is assumed will occur.

RG 276.110 Some inputs to a forecast depend on known facts that are personal to the user (e.g. their current account balance). Others involve factors that are inherently uncertain (e.g. rates of future investment earnings) or factors that may be known to a user but not a provider (e.g. future intentions to make voluntary contributions or spend time out of the workforce).

RG 276.111 Although superannuation forecasts have some limitations and are likely to differ from what actually occurs, these forecasts have a useful role to play. In ASIC's view, the purpose of a superannuation forecast is not to give an exact prediction of a user's retirement balance or retirement income.

RG 276.112 As noted in Section A of this guide, we think that the primary purpose of:

(a) a superannuation calculator is to allow users to explore how various factors or scenarios may affect their future retirement income; and

(b) a retirement estimate is to provide an accessible starting point for members to consider whether their superannuation is likely to provide them adequate income in retirement.

RG 276.113 The assumptions used to provide a superannuation forecast should be reasonable for the users who are likely to be using a superannuation calculator or are receiving a retirement estimate. It is important that users have confidence in how a forecast is being made, including the quality of the assumptions. Even where a user can change the assumptions, behavioural economics research suggests that default settings are powerful and users are reluctant to change them.

Selecting and setting default assumptions

RG 276.114 ASIC has set standardised assumptions that trustees and other providers must use when relying on the relief provided in ASIC Instrument 2022/603 to provide a superannuation calculator or retirement estimate. Some standardised assumptions are defaults that a user can change in a superannuation calculator or interactive retirement estimate. We have also given trustees and other providers the flexibility to set their own reasonable assumptions in some cases.

Note: An interactive retirement estimate is a retirement estimate that is worked out using data a trustee has on a member and where the member can interact with the estimate by inputting or changing certain assumptions: see RG 276.105–RG 276.108.

RG 276.115 Table 1–Table 4 summarise the requirements relating to assumptions in ASIC Instrument 2022/603. These requirements are based on stakeholder consultation and advice from the Australian Government Actuary.

Note: For more information on the stakeholder consultation, see Report 731 *Response to submissions on CP 351 Superannuation forecasts: Update to relief and guidance* (REP 731) released 5 July 2022.

RG 276.116 We think the requirements for setting assumptions need to be stricter for retirement estimates than for superannuation calculators. This is because a retirement estimate contains personalised information and it may be provided to a member without the member having to request it (i.e. the estimate is unsolicited by the member). By contrast, a user needs to actively choose to use a superannuation calculator, and the inputs and assumptions can be freely manipulated based on a generic starting position.

RG 276.117 It is a requirement of ASIC Instrument 2022/603 that all assumptions applied by a provider to a superannuation calculator or retirement estimate (i.e. default assumptions) are reasonable for working out the calculation or estimate. We have provided guidance on how trustees and other providers can set their own reasonable assumptions: see RG 276.201–RG 276.222.

RG 276.118 A superannuation forecast can also be worked out using assumptions inputted or selected by users instead of default assumptions. If the superannuation calculator is an electronic facility or device, or if the retirement estimate is an interactive retirement estimate, it must:

(a) allow the user to input or change any of the assumptions that are applied by the calculator or estimate, except for the following (which the provider may choose to fix or allow the user to change):

(i) assumptions that reflect certain statutory fixed factors (e.g. taxation rates);

(ii) assumptions about how the superannuation balance is drawn down in retirement (excluding the retirement age and length of the drawdown period, which the user must be allowed to change); and

(b) work out, or enable the user to work out, a forecast on the basis of the changed assumptions.

RG 276.119 Providers can meet the requirement in RG 276.118(a) by requiring a user to directly input their own assumptions or by inputting assumptions directly with the consent of the user. For example, a trustee could provide a function that helps users to copy across account data into a superannuation calculator or interactive retirement estimate.

RG 276.120 Providers can meet the requirement in RG 276.118(b) by using assumptions inputted or changed by the user on a previous occasion (e.g. as a starting point when the user next accesses the calculator or interactive estimate, instead of reverting to generic defaults). However, in this case, the provider should take steps to ensure they are not misleading or confusing the user. Assumptions inputted by user could become outdated if a significant period of time has elapsed, or unrealistic if the user had previously been inputting assumptions to explore extreme scenarios.

RG 276.121 ASIC Instrument 2022/603 does not allow trustees to use data a member has inputted into a calculator or an interactive retirement estimate to tailor a static retirement estimate given to the member under our relief. We think the risk of misleading or confusing the member is greater in these circumstances because the data the member inputted may not be accurate, and members cannot input or change assumptions in a static retirement estimate.

RG 276.122 Providers of superannuation calculators and interactive retirement estimates relying on our relief may choose to require users to input information or assumptions before a forecast is shown. For example, a provider might require a user to input their desired retirement age or partner status before a forecast is shown. The provider does not need to apply any default assumptions about factors for which users are required to input a value, including factors where we have set standardised default assumptions.

RG 276.123 A superannuation calculator or retirement estimate must include clear statements about the limitations of the calculator or estimate and why the provider considers the default assumptions to be reasonable: see RG 276.80–RG 276.85.

Table 1: Default assumptions about a user's investment returns

Assumption	Superannuation calculators	Retirement estimates
Investment earnings, fees and costs	The default assumptions about investment earnings, investment fees and costs, and administration fees must be reasonable for the purpose of working out the calculation: see also RG 276.124–RG 276.130. The assumptions may be based on specific financial products as long as the superannuation calculator does not advertise or promote those products: see also RG 276.86–RG 276.93.	The default assumptions about investment earnings, investment fees and costs must be reasonable for the purpose of working out the estimate: see also RG 276.124–RG 276.130. The trustee must make reasonable assumptions about administration fees based on the administration fees payable by the member on their superannuation account: see also RG 276.131–RG 276.136. The assumptions may be based on specific financial products as long as the retirement estimate does not advertise or promote those products, other than to the extent necessary to provide the estimate: see also RG 276.86–RG 276.93.

Table 2: Default assumptions about retirement income

Assumption	Superannuation calculators	Retirement estimates
Retirement age and drawdown period	The default assumptions for superannuation calculators must be set in the same way as for retirement estimates.	For a member who is not currently in the retirement phase and is currently younger than age 67 (or the age of the member is not known), the default assumption must be a retirement age of 67. If the member is currently age 67 or older, the default assumption must be that the member retires on their next birthday. In illustrating an annual income stream, providers must by default assume that the drawdown period (over which income is drawn) commences at: • the assumed retirement age (if the member is not currently in the retirement phase); or • the date of the calculation or estimate (if the member is in the retirement phase). Providers must by default assume that the drawdown period ends on (or within 12 months before) the later of: • the member reaching 92 years of age; and • five years after the start of the drawdown period: see also RG 276.141–RG 276.150.

Assumption	Superannuation calculators	Retirement estimates
Annual income stream	The default assumptions must be reasonable for the purpose of working out the calculation.	By default, the annual income stream must be worked out so that the member would have a constant income from year to year, after inflation, over the drawdown period. This should be worked out so that the member's retirement balance is drawn down to zero by the end of the drawdown period. If age pension amounts are included in the estimate, by default annual income must be worked out in a way that reflects how the member's age pension entitlement may change as their retirement balance is drawn down: see also RG 276.151–RG 276.159.
Age pension entitlement	The default assumptions must be reasonable for the purpose of working out the calculation.	The trustee must make reasonable assumptions in working out the age pension amounts if these are included. If the trustee chooses to include an estimate of the member's age pension in a static retirement estimate, the trustee must by default assume that: • upon reaching age pension age, the member qualifies for an age pension; • the member has a partner; • the member and their partner jointly own their own home; and • the member and their partner have the same amount of superannuation and no other assets or income: see also RG 276.160–RG 276.165.
Risk measures	If the provider chooses to include risk measures, the default assumptions must be reasonable: see also RG 276.166–RG 276.172.	The trustee may include in an interactive retirement estimate a numerical confidence level or interval relating to the estimate. If the trustee does this, the default assumptions must be reasonable. The trustee must not include risk measures as part of a static retirement estimate: see also RG 276.166–RG 276.172.

Table 3: Default assumptions about factors that are personal to the user

Assumption	Superannuation calculators	Retirement estimates
Contribution levels	The default assumptions must be reasonable for the purpose of working out the calculation.	The trustee must make reasonable default assumptions about future contributions based on current contribution levels for the member less contribution taxes and any inward rollovers. Non-compulsory contributions may be excluded where it is possible to do so. We expect the trustee to assume by default that contribution levels will change in future as a result of wage inflation. We think it is reasonable for trustees to also assume by default that the member's contributions will increase in line with legislated changes in the superannuation guarantee rate: see also RG 276.179–RG 276.184.
Insurance premiums	The default assumptions must be reasonable for the purpose of working out the calculation.	The trustee must make reasonable default assumptions about insurance premiums based on the actual amount of insurance premiums currently paid by the member, and reasonable default assumptions about how these will change in future. The trustee must not include insurance premiums in working out a retirement estimate if the member does not have insurance at the time the estimate is made: see also RG 276.185–RG 276.187.

Table 4: Default assumptions about factors that are external to the user

Assumption	Superannuation calculators	Retirement estimates
Inflation	The default assumptions for superannuation calculators must be set in the same way as for retirement estimates.	The estimate must be presented in today's dollars. By default, future dollars must be converted to today's dollars using the inflation rates in ASIC Instrument 2022/603, which are 3.7% p.a. while the member is in the accumulation phase (reflecting wage inflation) and 2.5% p.a. while the member is in the retirement phase (reflecting consumer price inflation): see also RG 276.188–RG 276.197.
Taxation conditions and other legal factors	The default assumptions must be reasonable for the purpose of working out the calculation. Statutory assumptions must remain up to date with legislation.	The trustee must assume that current legislated taxation conditions and other legal factors will remain unchanged. Statutory assumptions must remain up to date with legislation.

Investment returns

Investment earnings, fees and costs

RG 276.124 Providers of superannuation forecasts may set their own default assumptions for investment earnings, fees and costs. These assumptions must be reasonable for the purpose of working out the calculation or estimate. A forecast must also contain clear and prominent explanations of why the assumptions are reasonable: see RG 276.80–RG 276.85.

Note: Additional considerations apply to retirement estimates: see RG 276.131–RG 276.136.

RG 276.125 In making assumptions about fees and costs, providers should consider all fees and costs relevant to superannuation. These include direct investment fees, indirect investment costs and administration fees.

RG 276.126 Forecast retirement benefits depend on assumed investment earnings after the deduction of fees, costs, taxes and inflation. The combination of assumptions a provider applies (i.e. the net return) must be reasonable. We expect the set of assumptions to be internally consistent. A provider may choose whether to apply a single assumption about investment earnings net of fees, costs, taxes on investment earnings and inflation or, alternatively, separate assumptions about each of these factors: see RG 276.205–RG 276.206.

Note: Where providers are converting future dollars to today's dollars, they must by default use the inflation rates set by ASIC: see RG 276.188–RG 276.197 and RG 276.207.

RG 276.127 A provider may set default assumptions based on the investment earnings objectives, fees or costs for specific financial products (including products they offer) as long as the superannuation calculator or retirement estimate does not advertise or promote those products: see RG 276.86–RG 276.93.

RG 276.128 A provider may set different default assumptions between the accumulation and retirement phases. For example, the assumptions may reflect that most users will not pay tax on investment earnings in the retirement phase or may have their balances invested more conservatively in the retirement phase than in the accumulation phase.

RG 276.129 Default assumptions about investment earnings and investment fees and costs relating to the retirement phase should reflect a type of retirement income product that could provide for an annual income stream over the drawdown period. For most users, the default drawdown period will be the 25-year period between age 67 and age 92 (unless the user is currently older than 67 or already in the retirement phase): see RG 276.141–RG 276.150.

RG 276.130 If a superannuation calculator or retirement estimate does not take into account the effect of certain fees and costs such as activity fees or taxes payable by the user, this must be clearly and prominently explained to the user in the ordinary course of its use, including a clear and prominent explanation of the impact of this limitation: see RG 276.80–RG 276.85.

Investment returns for retirement estimates

RG 276.131 ASIC Instrument 2022/603 requires trustees working out a retirement estimate to use data on administration fees payable by the member on their superannuation account (e.g. dollar and/or percentage-based fees).

RG 276.132 Trustees need to make reasonable assumptions about how administration fees will change in future (e.g. due to price or wage inflation). A trustee may also take into account any scheduled fee changes that have been disclosed to members (e.g. in the Product Disclosure Statement (PDS) or a Significant Event Notice) and make a reasonable assumption about administration fees in the retirement phase.

RG 276.133 Trustees may make reasonable assumptions about investment earnings and investment fees and costs based on the products a member is currently invested in.

RG 276.134 In working out a retirement estimate for a member who is invested in more than one investment option, or in a lifecycle strategy, a trustee could construct assumptions that are weighted averages or time variant. For example, if a member has 50% of their balance invested in a growth option and 50% in a cash option, the trustee could make assumptions based on the average investment earnings and fees assumptions for each of these two options.

RG 276.135 However, we recognise that it may not always be practical to precisely align assumptions about investment earnings and investment fees and costs with the way a member's superannuation is currently invested.

RG 276.136 A trustee may instead choose to make more generic assumptions (e.g. based on ASIC's Moneysmart calculators) for investment earnings and investment fees and costs. However, if the trustee does make more generic assumptions, it should make clear to the member that the assumptions do not necessarily reflect the way their superannuation is currently invested: see RG 276.85.

Retirement income

RG 276.137 ASIC Instrument 2022/603 sets out requirements for how retirement income can be worked out in a superannuation forecast under our relief. These requirements differ depending on whether the forecast is a calculator, static retirement estimate, or interactive estimate.

RG 276.138 Under our relief, a trustee or other provider can give a superannuation calculator or interactive retirement estimate to users who are either in the accumulation or retirement phase. A trustee may give a static retirement estimate to a member in the accumulation phase, but not in the retirement phase: see RG 276.39–RG 276.41.

RG 276.139 However, a trustee must not give a retirement estimate to a retired member if it could be misleading to do so. For example, an interactive retirement estimate worked out using the default assumptions in ASIC Instrument 2022/603 could be misleading if given to members who have a portion of their balance invested in an annuity-style product.

RG 276.140 A trustee must also not give a retirement estimate (of any type) to members who are receiving a transition to retirement income stream: see RG 276.42.

Retirement age and drawdown period

RG 276.141 Providers of superannuation calculators and retirement estimates must by default assume the retirement age specified in ASIC Instrument 2022/603 for a user who is not currently in the retirement phase. If the user is currently younger than age 67 (or the age of the user is not known), the default assumption must be a retirement age of 67. If the user is currently age 67 or older, the default assumption must be that the user retires on their next birthday.

RG 276.142 In illustrating an annual income stream, providers must assume by default that the drawdown period (over which income is drawn) commences at:

(a) the assumed retirement age (if the user is not currently in the retirement phase); or

(b) the date of the calculation or estimate (if the user is in the retirement phase).

RG 276.143 Providers must by default assume that the drawdown period ends on (or within 12 months before) the later of:

(a) the user reaching 92 years of age; and

(b) five years after the start of the drawdown period.

RG 276.144 This means that, for accumulation phase users who are currently younger than age 67, the default drawdown period is the 25-year period from age 67 to age 92. Users who are currently older than age 67 will by default have a shorter drawdown period. Users who are older than age 87 will by default have a five-year drawdown period.

RG 276.145 We think it is important to set a standard retirement age and drawdown period for the sake of consistency between forecasts. We also think that this can make it easier for users to compare the effect of other factors (e.g. investment earnings or voluntary contributions) across different forecasts, including across superannuation calculators, static retirement estimates and interactive retirement estimates. It may also help users who have switched to a different fund.

RG 276.146 Age 67 is the age at which an individual can become eligible for the age pension. Age 92 takes into account several factors, including life expectancy at retirement and future mortality improvements. We think that both are reasonable values to prescribe as defaults for most users that will help to give an indication of their future retirement income.

RG 276.147 The standardised retirement age and drawdown period are default assumptions. A provider of a superannuation calculator or an interactive retirement estimate must allow the user to input different assumptions (e.g. a different retirement age and/or drawdown period) and work out the calculation or estimate using the inputted assumptions.

RG 276.148 However, if a user has inputted a retirement age, and that retirement age is less than the user's preservation age (i.e. the age at which they can access their superannuation), ASIC Instrument 2022/603 requires the provider to use the user's preservation age, if it is known, instead of the inputted retirement age in working out their retirement benefit.

RG 276.149 A provider of a superannuation calculator or interactive retirement estimate does not have to apply a default assumption for the retirement age or drawdown period if they require users to input their own assumption, or if no default assumption is required to work out the calculation or estimate. For example, it would not be reasonable to apply a default assumption about the length of the drawdown period in a calculator that works out how long a desired level of annual spending could be sustained in retirement.

RG 276.150 ASIC Instrument 2022/603 requires a forecast for a user in the retirement phase to be converted into today's dollars by default using a standardised rate of consumer price inflation: see RG 276.188–RG 276.197. For the purpose of this conversion into today's dollars, our relief requires providers to use a user's current age as the assumed retirement age, in circumstances where it is known that the user is in the retirement phase and has not inputted their own retirement age.

Annual income stream

RG 276.151 It is important for users to realise that they may need to draw on their retirement savings for many years after retirement. Presenting a retirement benefit as an annual income stream can help illustrate the level of spending that can be supported throughout a user's retirement. It can also give users a quick indication of the potential adequacy of their superannuation balance at retirement.

RG 276.152 For superannuation calculators, ASIC Instrument 2022/603 does not require providers to present an annual income stream. However, if an annual income stream is presented, any assumptions a provider applies must be reasonable for the purpose of working out the calculation. If the superannuation calculator is an electronic facility or device, the provider must also ensure the user can input or change the assumptions.

RG 276.153 A provider of a superannuation calculator does not have to assume a user's balance will be invested in a particular type of retirement income product (e.g. an account-based pension or annuity). However, where they do, they must ensure the assumptions are reasonable and the calculator does not advertise or promote a specific financial product: see RG 276.86–RG 276.93.

RG 276.154 Providers have flexibility to make their own assumptions about when income payments are drawn within the drawdown period. For example, the first payment could be drawn on the first day of the period, the next 1 July, or the user's next birthday.

RG 276.155 For retirement estimates, [ASIC Instrument 2022/603] requires trustees to present both a retirement balance (i.e. the superannuation balance at retirement) and an annual income stream: see RG 276.72–RG 276.74. Trustees may also choose to include risk measures: see RG 276.166–RG 276.172.

RG 276.156 Under our relief, the annual income stream for a retirement estimate must be worked out—to the extent reasonably possible—so that the member would have a constant income from year to year, after inflation, over the drawdown period. This should be worked out so that the member's retirement balance is drawn down to zero by the end of the drawdown period.

RG 276.157 In working out the annual income stream, the trustee must also:

(a) maximise total income from superannuation and, if applicable, the age pension;

(b) if the age pension is included—work out annual income by taking into account how the member's age pension entitlement may change as their retirement balance is drawn down, and by taking into account the indexation of age pension payment rates and means test thresholds, even where this means total income after inflation would not be exactly the same in each year;

(c) take into account the minimum drawdown rules, even where this means total income after inflation would not be exactly the same in each year; and

(d) round the result to the nearest three significant figures (e.g. round an annual income stream estimate of $23,289 to $23,300): see RG 276.73.

RG 276.158 Applying the methodology in RG 276.157(b) may mean that it is not always possible to work out a constant income (after inflation) for a member. This would be the case where a member's superannuation balance is exhausted before the end of the drawdown period, and the income in the remaining years comprises only the age pension. Because of the way that age pension amounts are indexed, the annual age pension amount may increase when expressed in today's dollars during these remaining years: see also RG 276.165. In this situation, we think it is reasonable for trustees to work out an estimate of average annual income by averaging only over the years before the superannuation balance is exhausted.

RG 276.159 If additional assumptions need to be made to work out the annual income stream for a retirement estimate, those assumptions should be reasonable.

Age pension entitlement

RG 276.160 A trustee or other provider may choose to include age pension amounts in either a superannuation calculator or retirement estimate.

RG 276.161 If a trustee includes an estimate of a member's age pension amount in a static retirement estimate, it must use the following default assumptions:

(a) upon reaching pension age (within the meaning of the *Social Security Act 1991*), the member qualifies for an age pension under s43 of that Act;

(b) the member has a partner;

(c) the member and their partner jointly own their own home;

(d) at the assumed retirement age for the member, the member and their partner each have a single superannuation fund retirement benefit equal to the estimated lump sum amount for the member; and

(e) the member and their partner have no other assets or income affecting the amount of the age pension payable to the member or their partner including any other superannuation accounts.

Note: For information about eligibility for the age pension, see Age pension on the Services Australia website.

RG 276.162 If a provider includes age pension amounts in a superannuation calculator or retirement estimate, it must make reasonable assumptions in working out these amounts. We consider the default assumptions in RG 276.161 to be reasonable. A provider does not have to use these default assumptions for a superannuation calculator or interactive retirement estimate if they are able to make alternative reasonable assumptions. A provider may also choose to require users to input information relating to their age pension eligibility instead of applying default assumptions.

RG 276.163 We acknowledge that trustees usually do not have access to sufficient data about individual members relating to all the factors that may affect their age pension eligibility (e.g. assets inside and outside superannuation, home ownership and partner status). In the case of a static retirement estimate, members would not have an opportunity to input their own assumptions for these factors. As such, there is a risk that an age pension amount worked out using the default assumptions may not be accurate for some members. However, for many members, not including any age pension amount in their retirement estimate may not give them a useful indication of their total retirement income.

RG 276.164 Therefore, our relief gives providers the flexibility to choose whether or not to include age pension amounts in a forecast. Where providers do so, they can reduce the risk of misleading users by providing clear and prominent disclosures about the way the calculation or estimate is made (including the assumptions) and the risks of relying on the calculation or estimate. Providers could also include factual information about the age pension alongside a forecast to help users to understand pension eligibility and payment rates, or (in the case of a static retirement estimate) refer them to a superannuation calculator or interactive retirement estimate: see RG 276.78–RG 276.79.

RG 276.165 Age pension amounts may change over time due to the indexation of payment rates and means test thresholds (the assets test and income test). These are statutory factors that must be reflected in the default assumptions: see also RG 276.216. We think it would be reasonable to assume by default that the age pension means test thresholds will increase in line with consumer price inflation and the payment rates will increase in line with wage inflation (throughout both the accumulation and retirement phase). As a consequence, age pension amounts may increase when expressed in today's dollars in some situations: see RG 276.158.

Note 1: The age pension means test thresholds are indexed to the Consumer Price Index. The age pension payment rates are effectively benchmarked to Male Total Average Weekly Earnings. For information about the age pension means tests and payment rates, see the Social Security Guide on the Department of Social Services website.

Note 2: By default, trustees and other providers must assume an inflation rate of 3.7% p.a. in the accumulation phase (wage inflation) and 2.5% p.a. in the retirement phase (consumer price inflation) in working out the value of the user's retirement benefit in today's dollars: see RG 276.188–RG 276.197. Under these settings, we think it is reasonable to assume for the retirement phase that age pension payment rates will increase by 3.7% p.a. and to deflate the result by 2.5% p.a. to work out the value in today's dollars.

Risk measures

RG 276.166 A trustee or other provider may choose to include risk measures in a superannuation calculator or interactive retirement estimate. ASIC Instrument 2022/603 gives providers of superannuation calculators flexibility in how to present the calculation, including any risk or volatility measures. It also allows trustees to include in an interactive retirement estimate a numerical confidence level or interval relating to the estimate.

RG 276.167 Examples of risk measures that could be included in an interactive retirement estimate include:

(a) the estimated probability that the retirement balance or annual income will exceed (or fall below) a given level;

(b) the estimated probability of the user's superannuation being exhausted at an age earlier than the end of the drawdown period; and

(c) a range of outcomes for the retirement balance or annual income (e.g. upper and lower bound estimates based on a confidence interval).

RG 276.168 An interactive retirement estimate must show a primary (or central) estimate of the retirement balance and annual income, in addition to any risk measures: see RG 276.72–RG 276.75.

RG 276.169 A trustee must not include risk measures as part of a static retirement estimate. We think these measures could be confusing for members who receive a static estimate: see RG 276.76.

RG 276.170 If a provider includes risk measures in a superannuation calculator or interactive retirement estimate, they must ensure the default assumptions used to generate the risk measures are reasonable for the purpose of the calculation or estimate (e.g. based on a realistic range of potential outcomes for factors such as investment earnings). The provider must also include a statement of the assumptions used to generate the risk estimate and an explanation of why the assumptions are reasonable: see RG 276.82.

RG 276.171 Providers should take steps to ensure any risk measures they include in a forecast are not misleading or confusing to users. Steps providers could consider taking to reduce the risk of misleading or confusing users include:

(a) making risk measures less prominent than the primary estimate so as not to undermine the overall usefulness of the forecast to the user (e.g. by presenting the risk measures in a smaller font, or by requiring the user to click a button to see the risk measures);

(b) providing clear explanations to help users understand the risk measures;

(c) if the superannuation forecast comprises multiple sources of retirement income (e.g. superannuation and age pension), providing risk measures relating to the total income rather than just the income from superannuation;

(d) revising the presentation of risk measures over time using insights from monitoring how users are using forecasts;

(e) not including risk measures in situations where they may be unhelpful for users (e.g. not showing a range if it is very wide).

RG 276.172 Instead of (or in addition to) including risk measures, a provider could explain qualitatively the risk or uncertainty inherent in a forecast, for example, as part of disclosing a statement of the purpose and limitations of a forecast. A qualitative explanation of risk or uncertainty may also accompany a static retirement estimate: see RG 276.78.

Factors personal to the user

RG 276.173 ASIC Instrument 2022/603 requires trustees to use a minimum set of member data in working out a retirement estimate. The member data is the member's age, current balance held with the fund, contribution levels, insurance premiums (if insurance is held at the date of the estimate) and administration fees.

RG 276.174 Trustees need to make reasonable assumptions in applying member data to work out a retirement estimate: see RG 276.131–RG 276.134 and RG 276.179–RG 276.184. For an interactive retirement estimate, the member must be able to input or change any of these assumptions: see RG 276.118.

RG 276.175 The requirements relating to member data do not apply to superannuation calculators. To rely on our relief, a provider must not tailor the calculator's default assumptions based on data about an individual user, other than to the extent the user has inputted the information or changed the assumptions in the calculator.

RG 276.176 The default assumptions used in a superannuation calculator must also be reasonable. This includes ensuring that statutory assumptions, such as the superannuation guarantee rate, are kept up to date with legislation: see RG 276.201–RG 276.222.

RG 276.177 We do not think it is reasonable for a trustee or other provider to assume by default that a user or their partner holds other superannuation accounts, unless the user has inputted information about other superannuation fund accounts in a calculator or interactive retirement estimate.

RG 276.178 Under our relief, a trustee must not give a retirement estimate to a member who also holds a defined benefit interest in the fund: see RG 276.33(f).

Contribution levels

RG 276.179 In working out a retirement estimate, trustees must make reasonable default assumptions about future superannuation contributions based on contribution levels for the member less contribution taxes and any inward rollovers. A trustee may exclude non-compulsory contributions made by the member where it is possible to do so and the trustee considers this to be reasonable for working out the estimate.

RG 276.180 Trustees will not usually know a member's intentions about future contributions, and members themselves may be uncertain. Future contribution levels will also depend on uncertain factors such as salary levels, rate of salary growth and time out of the workforce for any reason.

RG 276.181 We acknowledge that, if a member makes a large one-off voluntary contribution in a particular year, this level of contribution may not be continued in future years. A trustee may exclude non-compulsory contributions when setting an assumption for contribution levels but is not required to do so in order to rely on our relief. If a trustee excludes non-compulsory contributions, this should be disclosed to the member as part of the retirement estimate.

RG 276.182 We do not think it is reasonable to assume that a member will make non-compulsory contributions in the future if they are not already making non-compulsory contributions.

RG 276.183 Trustees must make reasonable assumptions about how contributions will change in future. We expect trustees to assume by default that the member's contributions will change in future as a result of wage inflation. We think it is reasonable for trustees to also assume by default that the member's contributions will increase in line with legislated changes in the superannuation guarantee rate. Under the *Superannuation Guarantee (Administration) Act 1992*, the superannuation guarantee rate is 11.5% of ordinary time earnings as at 1 July 2024 and will increase to 12% on 1 July 2025. These changes in the superannuation guarantee rate are likely to have a material effect on future contributions for most members.

RG 276.184 A trustee may include a statement, alongside a retirement estimate, that a member can see how different contribution levels might affect their retirement income by using an interactive retirement estimate or superannuation calculator. Any such statement must not be used to advertise or promote a specific financial product and must not be misleading.

Insurance premiums

RG 276.185 In working out a retirement estimate, trustees must make reasonable default assumptions about insurance premiums based on the actual amount of premiums currently paid by the member if—and only if—the member holds insurance through the superannuation fund when the retirement estimate is made. This is so that the retirement estimate takes into account the impact of paying insurance premiums on the member's retirement benefit.

RG 276.186 In working out a retirement estimate, trustees must make reasonable default assumptions about how insurance premiums will change in future. For example, a trustee could assume that insurance premiums increase in line with price or wage inflation, or in accordance with the member's age as set out in the PDS. In making reasonable assumptions about how insurance premiums will change in future, trustees may have regard to the materiality of insurance premiums on a member's retirement benefit.

RG 276.187 Trustees must not include insurance premiums in working out a retirement estimate if the member does not hold insurance when the retirement estimate is made (e.g. because their insurance has recently ceased). We do not think it is reasonable to assume that a member will pay insurance premiums in the retirement phase.

Factors external to the user

Inflation

RG 276.188 Trustees and other providers must present a future retirement benefit in a superannuation calculator or retirement estimate in today's dollars. By default, future dollars must be converted to today's dollars using the inflation rates in ASIC Instrument 2022/603, which are 3.7% p.a. while the user is in the accumulation phase and 2.5% p.a. while the user is in the retirement phase (i.e. the drawdown period).

RG 276.189 To provide useful information to users, amounts payable or accrued in the future should be presented in a way that can be properly understood. We consider that users' comprehension of future investment earnings is helped by giving an indication of what the investment may be at current dollar values at the end of a specified term.

RG 276.190 We think it is important to set standard inflation assumptions for the sake of consistency between forecasts. We also think that this can make it easier for users to compare the effect of other factors (e.g. nominal investment earnings or fees) across different forecasts, including across superannuation calculators, static retirement estimates and interactive retirement estimates. It may also help users who have switched to a different fund.

RG 276.191 The default inflation rate for the accumulation phase is a forecast of wage inflation (i.e. long-term nominal wage growth). This is consistent with Treasury modelling used in the *2023 Intergenerational report* and in the *Retirement income review* final report. We think this is an appropriate way to adjust for the increasing cost of living during a user's working life to help them decide if their future retirement income is likely to be adequate compared to their current standard of living while they are working.

Note: See Australian Government, *2023 Intergenerational report*, 24 August 2023, p. 231 and *Retirement income review*, final report, 20 November 2020, p. 112.

RG 276.192 The default inflation rate for the retirement phase is a forecast of long-term consumer price inflation. It is based on the midpoint of the Reserve Bank of Australia's target range for consumer price inflation, published on 19 September 2016 and reaffirmed in the 2023 *Statement on the conduct of monetary policy*. We think deflating by consumer price inflation is better than deflating by wage inflation for helping users to compare the purchasing power of their income through retirement.

Note: See Treasurer and Governor of the Reserve Bank, *Statement on the conduct of monetary policy*, 8 December 2023.

RG 276.193 We will review the default inflation rates and amend ASIC Instrument 2022/603 if we consider there has been a material change to economic conditions for long-term nominal wage growth or consumer price inflation.

RG 276.194 Providers must make reasonable assumptions about the growth (or indexation) of various factors over time. We think that it is reasonable to assume that some factors increase at the rate of wage inflation, and others at the rate of consumer price inflation. We also think it is reasonable to use the inflation rates specified in ASIC Instrument 2022/603 for these growth rates. For example, we think it is reasonable to assume by default that superannuation contributions will grow at a 3.7% p.a. rate of wage inflation: see RG 276.183. We also think it is reasonable to assume by default that the age pension means test thresholds will increase in line with 2.5% p.a. consumer price inflation and the payment rates will increase in line with 3.7% p.a. wage inflation (throughout both the accumulation and retirement phase): see RG 276.165.

RG 276.195 Providers are not required to apply inflation assumptions separately to other factors if all relevant factors used to give the forecast are specified in real terms (i.e. in today's dollars). For example, a provider may choose to apply a default rate for investment earnings that is net of fees, costs, taxes on investment earnings and inflation (i.e. wage inflation in the accumulation phase and consumer price inflation in the retirement phase): see RG 276.206–RG 276.205. In this case, there would be no need to use the inflation rates in ASIC Instrument 2022/603 to convert the result from future dollars into today's dollars.

RG 276.196 Our standardised assumptions about inflation rates used to present forecasts in today's dollars do not prevent users from inputting their own alternative inflation rate assumptions in a superannuation calculator or interactive retirement estimate.

RG 276.197 For superannuation calculators, the standardised assumptions do not prevent a calculator from modelling a range of inflation assumptions, and do not prevent a calculation from being displayed in future dollars as well as today's dollars, provided that both are clearly labelled and explained so as to avoid user confusion.

Taxation conditions and other legal factors

RG 276.198 Trustees and other providers of superannuation forecasts must assume that current taxation conditions and other legal factors (i.e. statutory assumptions) will remain unchanged.

RG 276.199 Taxation and other legal rules surrounding superannuation are important factors determining the amount of a user's retirement balance and retirement income, and any change in these conditions might have a significant effect. However, it is not possible to anticipate the changes in taxation conditions and other legal factors that may occur over the course of a user's life, unless these future changes have already been specified in legislation (e.g. scheduled increases in the superannuation guarantee rate).

RG 276.200 As a superannuation calculator or retirement estimate will not be able to take into account different taxation and other legal conditions in future, it is important that users are made aware of this limitation: see also RG 276.82.

Ensuring default assumptions are reasonable

RG 276.201 The default assumptions applied to a superannuation calculator or retirement estimate must be reasonable for the purpose of working out the calculation or estimate. In some cases, providers must use the standardised assumptions set by ASIC in ASIC Instrument 2022/603. In other cases, providers have flexibility to set their own default assumptions.

RG 276.202 We recognise that a degree of judgement is required in setting economic and financial assumptions, especially about factors that may be uncertain over the long term (such as investment earnings). Our guidance in this section explains how providers can make reasonable assumptions about different kinds of factors relevant to working out a calculation or estimate. Providers should keep detailed records of how they have developed their assumptions.

RG 276.203 We consider that default assumptions are likely to be reasonable if they are backed by evidence or expert opinion, they are not intentionally biased towards encouraging users of superannuation forecasts to make a specific financial decision (e.g. by leading to a higher or lower forecast), and they are kept up to date with government policy settings and expected changes to future economic and financial conditions.

RG 276.204 We also consider that default assumptions are likely to be reasonable if a provider of a superannuation forecast sets them using:

(a) advice provided by an actuary or other appropriately qualified professional (or an investment model approved by an actuary or other appropriately qualified professional);

(b) the assumptions used in superannuation calculators provided by ASIC (e.g. on ASIC's Moneysmart website); or

(c) if the provider is a superannuation trustee:

  (i) fees and costs specified in a PDS for a superannuation product offered by the trustee;

  (ii) long-term investment earning objectives determined by the trustee; or

  (iii) for a retirement estimate—a member's superannuation product, investment strategy or other personal factors allowed for in ASIC Instrument 2022/603 (e.g. their contributions and insurance premiums).

RG 276.205 Assumptions should be internally consistent—that is, each assumption should be reasonable in the context of all the others. For example, the assumed rate of investment earnings must be reasonable for working out the calculation or the estimate when applied to a forecast in conjunction with the assumed fees and costs and the inflation rate.

RG 276.206 ASIC Instrument 2022/603 does not require the results of a superannuation calculator or retirement estimate to be worked out using separate assumptions about investment earnings, fees and costs, taxes on investment earnings or inflation. Providers may, for example, choose to apply a default rate for investment earnings that is net of fees, costs, taxes on investment earnings and inflation (i.e. wage inflation in the accumulation phase and consumer price inflation in the retirement phase). Alternatively, a provider may choose to apply each of these factors separately in working out the calculation or estimate.

RG 276.207 Providers should consider the default inflation rate for converting future dollars to today's dollars when setting assumptions about investment earnings. We think it would be reasonable for the purpose of working out a calculation or estimate for a provider to adjust a nominal investment return derived using different inflation assumptions (e.g. in an asset model) so that it aligns with the inflation rates specified in ASIC Instrument 2022/603. For example, if a provider's reasonable assumption of long-term nominal investment earnings is 7% in the context of an assumed wage inflation rate of 3%, we think it would be reasonable for the provider to apply a default nominal investment earnings rate of 7.7% in a forecast that uses the default inflation rate of 3.7% in the accumulation phase.

RG 276.208 Care should be taken using past performance information to support the reasonableness of assumptions about rates of return. Using past performance information in this way may mean that the assumptions are misleading if there are not reasonable grounds to make the stated assumption.

RG 276.209 It would not be reasonable to use past performance selectively to exaggerate the success or disguise the lack of success of a particular investment option. For example, the short-term past performance of a specific financial product should not be used to demonstrate the reasonableness of a high default rate of investment earnings if the short-term performance exceeds the rate of investment earnings that could reasonably be expected as a long-term average.

RG 276.210 Similarly, assumptions may not be reasonable (and may also be misleading) if they rely simply on past performance figures without any reference to their relevance to future circumstances.

RG 276.211 Under our relief, providers must disclose clear and prominent statements about:

(a) why the provider considers the assumptions (unless inputted or changed by the user) to be reasonable for working out the calculation or estimate; and

(b) the limitations of the calculator or estimate and the impact of any significant limitations: see RG 276.82.

RG 276.212 We think that the standardised assumptions we have set in ASIC Instrument 2022/603 (e.g. about the retirement age, drawdown period and inflation rates) are reasonable. A provider may satisfy the requirement to give a clear and prominent explanation of why the default assumptions are reasonable by explaining that they comply with default assumptions for superannuation calculators or retirement estimates set by ASIC.

RG 276.213 Our relief does not require providers to ensure that any assumptions that are inputted or changed by the user are reasonable for the purpose of working out a calculation or estimate. However, to minimise the risk of unrealistic or unhelpful results, providers may consider whether to place limits or restrictions on the range of values that a user may input into a superannuation calculator or interactive retirement estimate, as long as the user is still able to change the assumptions: see RG 276.118. Providers may also choose to layer the way in which assumptions are shown (and can be changed) to display assumptions about factors under a user's direct control (e.g. their retirement age) more prominently than factors external to the user (e.g. inflation rates).

RG 276.214 If a trustee provides both superannuation calculators and retirement estimates, we expect the trustee to apply assumptions consistently across both. Similarly, if a provider makes available multiple superannuation calculators, we expect the provider to apply assumptions consistently across these calculators. This does not mean that identical assumptions must be used. However, there should be a reasonable basis for any differences.

RG 276.215 For example, a trustee's superannuation calculators might use a default investment earnings assumption for the accumulation phase based on the trustee's MySuper product, whereas the trustees' retirement estimates might use investment earning assumptions specific to the investment option(s) each member is invested in (on the basis that not all members will be invested in the MySuper product).

RG 276.216 Some assumptions are statutory assumptions. These are assumptions that reflect a rate or amount fixed by legislation, such as the taxation rates or the superannuation guarantee rate. Under our relief, the statutory assumptions can be either fixed or able to be altered by the user.

RG 276.217 A retirement estimate or superannuation calculator is also subject to the prohibition against misleading or deceptive conduct in the Corporations Act and the ASIC Act: see RG 276.21–RG 276.23.

Keeping assumptions up to date

RG 276.218 We consider that there is potential for users to be misled if a superannuation calculator or retirement estimate includes out-of-date assumptions. It is important, therefore, that the default assumptions are up to date, including the statutory assumptions.

RG 276.219 Our relief requires assumptions to be up to date because if they are not up to date they are not 'reasonable for the purpose of working out the calculation or estimate'. This is particularly important for statutory assumptions. Further, if the assumptions are not up to date, they may be misleading.

RG 276.220 We expect providers of superannuation forecasts to have processes and procedures in place to monitor changes in assumptions and ensure they comply with the requirement to update the assumptions. We expect providers will review, at least annually, whether their assumptions remain up to date and revise their assumptions if there are material changes to a relevant input or statutory assumption (which may be more or less frequent than annually).

RG 276.221 Given the potential for users to be misled if assumptions (including the statutory assumptions) are out of date, we expect providers' assumptions will be updated as soon as reasonably possible after a change in an assumption becomes substantially certain.

RG 276.222 If assumptions are out of date, providers should take steps to limit the risk that any superannuation calculator or retirement estimate they provide is misleading during the period it takes to update the calculator or estimate. For example, in the short period when the assumptions might be out of date, a provider could include in a calculator the date at which the assumptions are effective (date stamp) and a clear and prominent warning message that the assumptions are out of date. Alternatively, providers may wish to remove or suspend access to the calculator or estimate during this period.

Key terms

Term	Meaning in this document
AFS licence	An Australian financial services licence under s913B of the Corporations Act that authorises a person who carries on a financial services business to provide financial services Note: This is a definition in s9.
ASIC	Australian Securities and Investments Commission
ASIC Act	*Australian Securities and Investments Commission Act 2001*
calculator	A facility, device, table or other thing used to make a numerical calculation or find out the result of a numerical calculation
Corporations Act	*Corporations Act 2001*, including regulations made for the purposes of that Act
default assumption	An assumption applied by a provider to a superannuation calculator or retirement estimate that has not been inputted by a member
Div 3 (for example)	A division of the Corporations Act (in this example, numbered 3), unless otherwise specified
financial product	Generally a facility through which, or through the acquisition of which, a person does one or more of the following: • makes a financial investment (see s763B); • manages financial risk (see s763C); • makes non-cash payments (see s763D) Note: See Div 3 of Pt 7.1 of the Corporations Act for the exact definition. In addition to the general categories above, this specifies certain things as being included or excluded from the definition.
financial service	Has the meaning given in Div 4 of Pt 7.1 of the Corporations Act
interactive retirement estimate	A retirement estimate provided to a member by an electronic facility or device which: • provides a retirement estimate based on assumptions that include the member data; and • allows the member to change certain assumptions for the purpose of the retirement estimate
member	A member of a superannuation entity
personal advice	Financial product advice given or directed to a person (including by electronic means) in circumstances where: • the provider of the advice has considered one or more of the person's objectives, financial situation and needs; or • a reasonable person might expect the provider to have considered one or more of those matters Note: This is a definition contained in s9 of the Corporations Act.

Term	Meaning in this document
provider	A provider of a superannuation forecast, which may include a trustee
Pt 7.7 (for example)	A part of the Corporations Act (in this example, numbered 7.7), unless otherwise specified
retail client	A client as defined in s761G and 761GA of the Corporations Act and Div 2 of Pt 7.1 of the *Corporations Regulations 2001*
RG 36 (for example)	An ASIC regulatory guide (in this example, numbered 36)
retirement estimate	A superannuation forecast provided to superannuation fund members in the form of a statement. It includes an interactive retirement estimate and a static retirement estimate
RSA	A retirement savings account as defined in the *Retirement Savings Account Act 1997*
s766E (for example)	A section of the Corporations Act (in this example, numbered 766E), unless otherwise specified
static retirement estimate	A retirement estimate that is not an interactive retirement estimate (i.e. a retirement estimate that is fixed)
superannuation calculator	A facility, device, table or other thing that works out a numerical calculation or finds out the result of a numerical calculation relating to a superannuation product, but that does not use information the provider knows about the user unless the information has been inputted by the user
superannuation forecast	A numerical indication provided to a user of the balance of their superannuation investment at retirement or of their retirement income, taking into account their current account balance, the impact of fees, and assumptions about future contributions, earnings and other matters. It can be generated by a superannuation calculator or retirement estimate
superannuation guarantee rate	The percentage of each employee's ordinary time earnings that must be paid by an employer as a contribution to a complying superannuation fund or retirement savings account under the *Superannuation Guarantee (Administration) Act 1992*
trustee	The trustee of a superannuation entity
user	In relation to: • a superannuation calculator—a person who uses the calculator; and • a retirement estimate for a member of a superannuation entity—the member

Related information

Headnotes

age pension, financial calculator, superannuation calculator, superannuation forecast, retirement estimate

Regulatory guides

RG 36 *Licensing: Financial product advice and dealing*

RG 51 *Applications for relief*

RG 78 *Breach reporting by AFS licensees and credit licensees*

RG 167 *AFS licensing: Discretionary powers*

RG 244 *Giving information, general advice and scaled advice*

Consultation papers

CP 351 *Superannuation forecasts: Update to relief and guidance*

CS 7 *Proposed update to superannuation forecasts relief instrument*

Reports

REP 632 *Disclosure: Why it shouldn't be the default*

REP 731 *Response to submissions on CP 351 Superannuation forecasts: Update to relief and guidance*

Legislative instruments and class orders

ASIC Corporations (Generic Calculators) Instrument 2016/207

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

ASIC Corporations (Amendment) Instrument 2024/733

Legislation

ASIC Act, s12BB

Corporations Act, Pt 7.7, s769C

Social Security Act 1991, s43

Superannuation Guarantee (Administration) Act 1992

Superannuation Industry (Supervision) Act 1993

