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MEDIA RELEASE

Urgent calls for Division 296 draft regulations to be fixed before finalisation

The Institute of Financial Professionals Australia (IFPA) is urging Treasury to address key issues in the draft regulations supporting the *Building a Stronger and Fairer Super System Act 2026*, warning the current rules could create unnecessary complexity, higher compliance costs and unfair outcomes.

In its submission to Treasury, IFPA highlights three main concerns: the treatment of deceased estates, the lack of clarity around actuarial certification, and the attribution formula for small superannuation funds where reserves exist.

“IFPA is concerned these draft regulations, in their current form, will create unnecessary complexity, delay and unfair outcomes by prolonging estate administration, creating uncertainty for executors and misaligning tax liabilities with death benefit recipients” said Stuart Sheary, Senior Technical Services Specialist, IFPA.

IFPA says the rules are particularly problematic for deceased estates because they may leave a deceased member’s Division 296 tax position unresolved long after death. This may delay estate administration and create uncertainty for executors. “Executors should not be left managing tax liabilities that cannot be finalised for years after a person’s death,” Sheary said.

The submission also warns the rules may create a mismatch between the person liable for the tax and the person who receives the death super benefit.

“Treasury should revisit these rules so the tax outcome is more timely, workable and aligned with the person who ultimately receives the benefit.”

The submission also calls for greater clarity about what actuaries are required to certify, arguing the current drafting does not reflect how actuarial processes operate in practice. In addition, IFPA warns the small fund attribution formula may produce distorted outcomes where reserves exist.

“Our submission outlines sensible amendments that would improve fairness, reduce compliance friction and make the regime more workable in practice.”

The full submission is available on the IFPA [website](#).

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About the Institute of Financial Professionals Australia (IFPA)

The Institute of Financial Professionals Australia (originally known as Taxpayers Australia, and more recently Tax & Super Australia) has been serving members for over 100 years and is a leading financial professionals association dedicated to fostering excellence and professional development in the tax, accounting, superannuation, financial planning, and advisor fields. With a membership and supporter base of over 35,000 practitioners and a strong commitment to advancing knowledge, promoting ethical practices, and providing valuable resources, the Institute of Financial Professionals Australia empowers professionals to excel in their careers and make significant impact in the industry.

Media contact

Stuart Sheary
Senior Technical Services Specialist
Phone: (03) 8851 4523
Email: s.sheary@ifpa.com.au