



From the Up Wealth team

New Pension Transfer Balance cap confirmed from 1 July 2026

The general transfer balance cap (TBC) is expected to increase from \$2m to \$2.1m on 1 July 2026, following the release of the December 2025 quarter Consumer Price Index values on 28 January 2026.

While clients who have fully utilised their personal TBC won't benefit from the increase, there may be advice opportunities before and/or after 1 July for clients who:

- are yet to start a retirement phase pension
- have not fully utilised their personal TBC and are looking to transfer additional amounts into retirement phase, or
- have a transition to retirement pension and will meet a full condition of release before 30 June.

Also, indexation of the general TBC may have implications for the total super balance (TSB) thresholds that determine eligibility for making non-concessional contributions (NCCs) in 2026/27.

Should you start a retirement phase pension before or after 1 July?

If you are commencing an account-based pension for the first time, you should consider whether it's best to:

- start the pension now to benefit from tax exempt investment earnings on up to \$2.0m, or
- wait until 1 July 2026 to benefit from having an extra \$100,000 in tax exempt retirement phase with the higher TBC.

It's not a black or white answer. Consider your specific needs and circumstances, including:

- if your accumulation (super phase) account is possibly going to realise a capital gain before 1 July 2026, the tax benefit of realising the gain in pension phase, to lower tax paid;
- cashflow needs (and whether a lump sum withdrawal from accumulation could assist in the short term if they have already met a full condition of release); and
- the likelihood of whether you may reach the TBC in the future.

When should you transfer additional super to retirement phase?

If you already have commenced a retirement phase pension, but never fully used your personal TBC, you are likely to be eligible to access a proportion of the general TBC increase. The additional cap amount that becomes available depends on the 'unused proportion' of your personal TBC and your highest ever transfer balance account (TBA).

Any advice in this article is of a general nature only and has not been tailored to your personal objectives, financial situation and needs. Before acting on items in this article, you should consider whether it is appropriate having regards to your personal objectives, financial situation and needs.

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