

SUPERANNUATION-----

Tax reform = "Government has run out of money and needs more of your dollars"

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I take offence at the comments about concessions for the rich.

This is on the background of superannuants having to survive with their SMSF getting 3% interest on TDs. A policy of government, which advantages the younger negative geared investor, but on the other hand, makes life very difficult for the retiree living on his accumulated asset base..

I believe that the top decile of income payers/earners in Australia contributed ~36% of all income tax dollars, which is more than the income tax revenues gained from taxing the bottom 70% of taxpayers. Talk of the rich being advantaged by encouraging them to invest in super is somewhat biased.

Any repeal of the current superannuation concessions would worsen this statistic.

Tax concession on super don't encourage abuse but simply where the invested dollar goes.

I am sure that any repeal would simply result in more negative gearing and other tax advantaged savings elsewhere, by the top decile of taxpayers.

Having said all that, and as a SMSF pensioner with > \$1mil in assets.

1. Super should be to encourage self provision, therefore deductible income and earnings in the accumulation phase should not be taxed at all, until a reasonable asset is accumulated e.g \$600,000. Then only at 15%
2. All Pensions should be taxed at 15% on all pension dollars paid above the age pension rate.
3. All Pensions should have to stay within the range of minimum --to --10% of assets, any greater pension should be taxed at 30%. This to discourage double dipping.
4. All funds in pension phase should also pay income tax of 15% on any income above the Aged pension rate, assuming that the pension payment to the member is a deductible item for that fund.

Please note that these suggestions will increase my super fund and personal tax bill.

Thanks for letting me put my thoughts to paper.

John Dyson

