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Tax White Paper Task Force
The Treasury
Landton Crescent
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In response to the Tax Discussion Papers released 20 March 2015 by the Federal Treasurer, Hon.Joe Hockey, attached please find my submission to that part that is relevant to Retirement Income.

Since the introduction and application – 1 July 2007 – of the “Simpler and Streamlined” Superannuation legislation there has been considerable inequity between self funded retirees *with superannuation* and those *without superannuation*.

This submission seeks to address key areas of this inequity and looks for a responsible resolution to remedy the discriminatory situation that presently exists, and in doing so result in a *fairer and simpler* treatment of retirement income of *all* self funded retirees over 65 years old.

Thank you -



T.A.D. Jenkins –

18th.May 2015

Attached.

Retirement Income -

2007 - The then Federal Treasurer, Hon. Peter Costello, MLA, speculated as to how the population would be able to cope with retirement over the next 40 years, and so introduced the plan to "Simplify and Streamline" Superannuation. This superannuation plan provided mainly **for those retirees up to 74 years of age.**

The **75 years plus retirees** - (many **non-superannuant** self funded "senior" retirees in particular)- were ignored (indeed **discriminated against**) by the "Simpler and Streamlined Superannuation" scheme (effective 1 July 2007), because, even though there are reportedly some 2 million aged 75 plus retirees at the time, many were unable to participate in this new plan.

The 2007 "Simpler and Streamlined Superannuation" scheme provides for those retiring at **60 to 74** to access superannuation retirement income/payments which can be **non assessable for income tax, and/or medicare levies, and being tax free** **allow eligibility for other government concessions, e.g. Commonwealth Seniors Health Card, etc.**

Many "senior" retirees (75+) – paid taxes during their working lives, saved and invested to provide a retirement income, and now – as **non superannuants** – **still pay full income tax, and capital gains taxes, medicare levies, etc.**

Non Superannuants eligibility for "concessions" such as Commonwealth Seniors Health Card, and levies payable for Medicare, *remains(and is) subject to **assessable taxable income.***

Compare this with the conditions applicable,(to retirees up to 74), - within the "Simpler and Streamlined Superannuation" scheme - **as their retirement income – on returns from investments, capital gains, etc. can be tax free, and non assessable as taxable income..- that is - tax free**

Submission – Introduce a tax free threshold on retirement income.

That the retirement income of **all** retirees over 65 years old –obtained from assets held either **within** superannuation or **outside** of superannuation – be subjected to a tax free threshold of, e.g. \$150,000. Income, capital gains, etc. above such threshold to be treated as taxable income at personal income tax rates.

Consider -

- A tax free threshold on the retirement income of **all** retirees over 65, could -
1. - simplify (and fairly apply) the taxation of retirement income,
 2. - remove some of the existing inequities that at present *discriminate* against many self funded non superannuants, and
 3. - importantly - provide that "fair go" – a "level playing field" - as is so often quoted.



T.A.D. Jenkins –

18th May 2015