

[REDACTED]

From: Fred Bolling [REDACTED]
Sent: Monday, 16 October 2023 5:51 PM
To: Superannuation
Subject: PROPOSED DIVISION 296 SUPERANNUATION TAX

Follow Up Flag: Follow up
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While I oppose the introduction of the proposed Division 296 tax, I would also make the following submission about it's proposed design.

1. No other part of the Australian taxation system taxes unrealised gains, such a tax is unprecedented. Any tax design should be applied to actual income earned
2. While the proposed tax is levied on an annual increase in the TSB, there is no corresponding immediate offset when TSB goes backwards. Any loss is simply carried over into future years. This design feature is inequitable.
3. Given the long term nature of most superannuation investments designed to preserve capital to support long term retirement, there is certain to be cashflow issues that create forced asset sales. This is again an inequitable tax design for retirement
4. People who are not yet eligible to withdraw super funds, need a way to reduce their TSB under the 3million threshold, including ways to rebalance funds with partners
5. The 3million TSB figure is at best arbitrary and it should be increased to at least \$5million. Australians are living longer and larger not smaller amounts will be required to support longer periods of self funded retirement.

This figure must be indexed annually in line with inflation. Failure to apply annual indexation adds to the inequitable design

6. If the government is intent on implementing this new tax, then it must be applied to all individuals regardless but especially to politicians.

Your sincerely,

Howard Bolling AM
[REDACTED]