

From: Roger [roger.steel@bigpond.com]
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To: Simpler Super
Subject: Budget Proposals - Public Comment

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Dear Sir/Madam,

I have recently visited the Treasury's 'SimplerSuper' website to learn more about the proposed changes announced in the recent budget.

The website welcomes submissions and comments so I would like to make a brief submission.

In the summary of the proposed changes, it is said that benefits paid to retirees aged 60 or above from a taxed fund would be exempt from tax and that benefits paid by untaxed funds would continue to be taxed but at a lower rate.

I can understand that under normal circumstances these tax exemptions and reductions would only apply to people over 60 years of age. However, there are people who retire earlier because of a bona-fide invalidity. I believe these people ought to be afforded these reduced levels of taxation from the time they are retired from the workforce.

On page 9 of your budget overview, the table/graphic at the bottom of the page shows the current superannuation tax regime contrasted with the proposed regime which levies no tax on benefits. http://www.budget.gov.au/2006-07/overview/html/overview_09.htm

It shows that under the current superannuation regime, that "Post-June 1994 Invalidity" lump sums are exempt from taxation. Given that the proposal shows 'no tax', is it fair to assume people in receipt of invalidity pensions are to be treated the same as those reaching age 60? My belief is that this should be the case.

Thankyou for the opportunity to provide my opinion on these generous proposals.

Kind Regards
Roger Steel
Newcastle N.S.W.
ph. (02) 49 477 112