

The Australian Association of Former  
International Civil Servants (AAFICS)  
5/4 New McLean Street, Edgecliff, NSW 2027  
8 August 2007

General Manager  
Superannuation, Retirement and Savings Division  
The Treasury  
Langton Crescent  
PARKES ACT 2600

Addendum to Submission and comments on 'A Plan to Simplify and Streamline  
Superannuation' submitted by AFFICS on 27 July 2007

In our original submission it was stressed that retirees in receipt of a pension from the United Nations Joint Staff Pension Fund (UNJSPF) are, at present, taxed at marginal rates in the same way as other retirees receiving pensions from 'Untaxed Schemes'.

The UNJSPF is a fully funded scheme, with its investments spread worldwide including Australia.

The Australian Government participates in the management of the Fund through representation in the General Assembly of the UN, and financially through its contributions to the UN and the Specialised Agencies of the UN. As a fully funded scheme, pensions paid by the Fund do not represent a future liability on participating governments. The characteristics of the UNJSPF may be found on its website, [unjspf@un.org](mailto:unjspf@un.org).

In those parts of the plan dealing with 'Untaxed Schemes' it is stated that these schemes 'generally apply only to public servants', 'they are nearly all public servants', or 'mainly affecting public servants'. While this does not necessarily exclude retirees from the international public service, specific mention is not made of the category and this may prejudice these retirees from benefiting from the proposed changes detailed in Chapter 8 of the Plan.

If the proposed benefits are not passed on to retirees from the international civil service they will pay substantially more tax on their pensions than counterparts in the public service such as those former Commonwealth public servants paid from the Commonwealth Superannuation Scheme.

The following table shows that on a pension of \$ 25,000 their basic tax would be over 700% greater, while tax on a pension of \$60,000 would be over 80% greater.

**Comparison of final Tax on annual pensions with and without 10% Rebate**

(Base tax scales effective from 1 July 2007)

Annual Pension	25,000	30,000	35,000	40,000	50,000	60,000
Basic Tax	2,850	4,350	5,850	7,350	10,350	13,350
Rebate	2,500	3,000	3,500	4,000	5,000	6,000
Tax with rebate (1)	350	1,350	2,350	3,350	5,350	7,350
Tax no Rebate (2)	2,850	4,350	5,850	7,350	10,350	13,350
Percentage of (2) to (1)	814 %	322 %	248 %	219 %	193 %	181 %

Your consideration of this additional information would be appreciated.

Yours faithfully,

Mary Johnson (President of AAFICS) and Tom Joel (Treasurer of AFFICS)  
Australian Association of Former International Civil Servants