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**Submission to the Senate Economics Legislation Committee in relation to the Treasury Laws Amendment (Improving Accountability and Member Outcomes in Superannuation Measures No. 2) Bill 2017**

Dear Senators,

The Tasmanian Association of State Superannuants (TASS) agrees that it is desirable to enable employees under workplace determinations or enterprise agreements to choose the superannuation fund for their compulsory employer contributions.

We further agree that the Superannuation Guarantee (Administration) Act 1992 should be amended to ensure that an individual's salary sacrifice contributions couldn't be used to reduce an employer's minimum superannuation guarantee contributions.

However T.A.S.S. is very disappointed that nothing has yet been done to address the lack of fairness and logic in the Social Services Legislation Amendment (Defined Benefit Income Streams) Act 2015.

Retired employees of the Tasmanian Government and its Government Business Enterprises paid contributions on their gross salary into the Retirement Benefits Fund contributory scheme. Their employer chose not to pay the employer contributions into a separate fund, but into consolidated revenue, and therefore did not pay tax on those contributions. The retirees now receive defined benefit superannuation pensions from RBF. The 2015 Act places a 10% cap on the proportion of those pensions, which can be excluded from the income test for age pensions, even though the scheme is a contributory one and no employer contributions have inflated the tax-free component of their pension.

T.A.S.S. has therefore been campaigning very strongly against this Act.

Ministers, most Government members and their advisers tell us that the legislation is operating as intended. The reality is that the "fat cats" who were allegedly targeted are miniscule in number while people on incomes of \$20000 per annum have lost significant amounts from their part age pensions.

We believe this Act in its present form should be repealed. If it is to remain we believe RBF defined benefit income recipients should be exempt from it because it is a contributory scheme and no employer contributions have been included when calculating the tax-free component of the pension.

Yours faithfully



Christopher Bevan

President

TASS

26.9.17