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25 May 2018

Committee Secretary  
Economics Legislation Committee, Senate Standing Committees on Economics  
Department of the Senate  
PO Box 6100  
Parliament House  
Canberra ACT 2600

Dear Committee Secretary

**Re: Treasury Laws Amendment (2018 Measures No. 4) Bill 2018 [Provisions]**

Thank you for the opportunity to make a submission to the Economics Legislation Committee's ("the Committee") review of the *Treasury Laws Amendment (2018 Measures No. 4) Bill 2018* ("the Bill").

Challenger Limited (Challenger) is an ASX-listed investment management firm with \$76.5 billion in assets (at 31 December 2017). Our purpose is to provide our customers with financial security for retirement. In the saving phase of superannuation, our investment products help build wealth and in the retirement phase we help retirees convert their savings into reliable income.

We write in support of the Miscellaneous amendments contained in Chapter 8, Part 6 Various amendments – Amendments ensuring consistent treatment between deferred annuities, which are described on page 106 of the Explanatory Memorandum at para 8.63.

Parliament passed new design rules to encourage the development of innovative superannuation income streams, which came into effect from 1 July 2017. These new rules are not working as intended for superannuation funds.

Individuals purchasing a life insurance company deferred annuity via a superannuation fund during the accumulation phase of superannuation (pre-retirement) face double taxation, as both the super fund and life company pay tax. This is an unintended consequence and results in an inconsistency of treatment compared to deferred annuities purchased by an individual directly from the life company.

The amendments contained the Bill are the result of discussions with the Australian Taxation Office and Treasury, and correct the unintended situation outlined above.

We encourage the Committee to recommend these amendments be passed without delay.

Yours sincerely



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National Manager, Government & Industry Relations

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