

Submission No. 137
Date Recd. D.J. Bywaters

Mr D Bywaters
Tabled at LACA public
hearing 17/7/07.

RECEIVED
17 JUL 2007

BY: LACA NH

Ph:
Fax:

HON. PETER SLIPPER M.P.,
CHAIRMAN, House of Representatives,
Standing Committee of Legal and Constitutional Affairs.

17TH July 2007

Copy to Committee Secretary

Dear Mr. CHAIRMAN and Committee Members,

1. Thankyou for the opportunity to make a submission and address the Committee today 17\07\07 at Buderim on the DISCRIMINATION DOT POINT of the Committee Terms of Reference.
2. I speak as a Volunteer Representative of the Superannuated Commonwealth Officers Association Inc. (S.C.O.A.)
3. In our view the following items involve discrimination through Legislation against Public Sector Superannuants. They are legislatively quarantined by conditions which do NOT apply to the community in general and NON Public Sector Superannuants in particular.
4. I am a former Federal Vice President of S.C.O.A. The Federal Council of S.C.O.A. supports this submission. Pre Federal Budget submissions Nov 2006 by S.C.O.A and the Australian Council of Public Sector Retiree Organisations Inc. (A.C.P.S.R.O.) also refer.

5. RECOMMENDATIONS

- a. The 1976 Commonwealth Employees Superannuation Act limits six monthly adjustments of Superannuation Pensions to the C.P.I. We recommend adjustment be varied by the higher of the C.P.I. or the Male Total Average Weekly Earnings (M.T.A.W.E.) Two Senate Select Superannuation Committees have recommended accordingly and reported that funding is available.
- b. Surviving eligible spouses of former Commonwealth Superannuation contributors, who retired on or before 30/06/1976 under the 1922 Superannuation ACT, do NOT receive the Aged Pension Bereavement Package on the death of the former contributor. We recommend they receive the same 14 weeks benefit provisions paid to an eligible spouse on the death of an Aged Pensioner.

Ph: 7
Fax:

- c. Commonwealth Superannuation Pensions and Lump Sum Payments cannot be split between two persons for income tax purposes. Non Public Sector Retirees can arrange their Retirement Income in various ways to minimise their Income Tax liabilities. We recommend the Committee investigate that Commonwealth Superannuants be provided with the option to split their superannuation pension and/or lump sum payments to minimise any income tax liability. The option to reverse the splitting of a superannuation pension would be necessary.
- d. The introduction of the Governments Better Super Legislation from 01/07/07 provides substantial better retirement incomes and income tax provisions in particular from sixty years of age for most Retirees. However most former contributors to Public Sector Super Funds are excluded from these provisions on the basis that their employer, The Australian Government did NOT TAX the contributions in their Superfund. Nor did the employer pay their superannuation liability into the Super Fund. These provisions have applied since 1/01/1923, the 1922 Commonwealth Employees (first) Superannuation ACT. During this time employee contributions were taxed as part of salary received before payment into their SUPER FUND. On retirement superannuation pensions and lump sum payments have been taxed. However from 1/07/07 Super pensions are subject to a 10% OFFSET for those sixty years or older. We recommend that benefits from Public Sector Superannuation Funds be provided with the provisions of the Better Super Legislation from 1/07/07 on the same basis as NON Public Sector Retirees particularly in regard to income tax.

CONCLUSION

We are aware that some of the above recommendations may apply to the PARLIAMENTARY SUPER SCHEME and that this SCHEME is adjusted based on current salary variations. In our view provision of the above four recommendations will then meet the PRIME MINISTERS statement that the Government will provide a FAIR GO for ALL AUSTRALIANS.

Yours faithfully,

D.J. BYWATERS