



## NEW LAWS TO IMPROVE SUPER AND TAX ARRANGEMENTS

The Economics Committee has recommended that parliament adopt new tax laws to improve superannuation arrangements and consolidate aspects of the tax system.

The Tax and Superannuation Laws Amendment (2012 Measures No. 1) Bill 2012 (the Bill) will simplify superannuation consolidation, give individuals relief from the excess contributions tax, increase the information about superannuation contributions on payslips, pause the indexation of the superannuation concessional cap and provides the ATO with the discretion to withhold high risk tax refunds.

Committee Chair Julie Owens said the Bill would help people better manage and engage with their superannuation.

'The Bill makes a number of practical reforms to the superannuation system that will help individuals achieve higher retirement incomes,' Ms Owens said.

The Bill will allow super funds to access ATO information to help people find and consolidate their superannuation. This will be a consent based process. At present there are 5 million 'lost' super accounts with a value of \$20 billion.

To assist employees to understand their superannuation status, new reporting requirements on payslips will be introduced. The committee has suggested that, if practicable, the industry should report actual super contributions on employees' payslips by 1 July 2013. If this occurs, no interim measures are necessary.

The Bill will reduce the financial penalties to individuals who over-contribute to their superannuation. Individuals who breach the concessional cap by up to \$10,000 can apply to have the amount refunded to them, rather than being subject to excess contributions tax. This should benefit 30,000 people over the forward estimates.

The committee also considered the provisions that pause indexation of the concessional contributions cap. It is anticipated that the impact will be marginal on the small number of affected individuals, but the cumulative impact will improve Australia's fiscal position.

The Bill restores the policy intent of the GST in relation to some health supplies and internal government transactions. It also allows the ATO to withhold high risk tax refunds.

The report includes a Supplementary Remarks by the Coalition members of the Committee.

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