

**Senate Standing Committee on Economics**

**ANSWERS TO QUESTIONS ON NOTICE**

**Treasury Portfolio**

Additional Estimates 14 – 15 February 2007

**Question:**            **AET 91**  
**Topic:**               **Anthony Potts**  
**Hansard Page:**       **Written**

**Senator SHERRY asked:**

A Mr Anthony Potts contacted my office in regards to the superannuation proposals put forward by the government. He had a particular situation that was not made clear by the government when it announced it's proposed tax treatment of a "taxed" defined benefit scheme.

I subsequently wrote a letter to The Treasurer, the hon. Peter Costello, to gain clarification to the proposals in Mr Potts case, the letter is attached below.

I have received an email from Mr Potts stating that he has received a letter from the ATO with forms for a private ruling. Mr Potts is not seeking a private ruling he and I are seeking clarification from the government on the tax treatment of his GSO defined benefit scheme.

If he retires at 55 but only claims his super at 60, the GSO fund will place his super into a holding account for the interim period between 55 and 60.

They will continue to pay his pension into this holding account for this 5 year period, what taxes will he be liable for with this holding account?

He is not accessing his super until he is over 60 so will he benefit from the government announced tax free status on the exit tax and what notional earnings tax will he be charged during this period?

**Answer:**

It has been the long standing practice of the Commissioner not to comment on the affairs of individual taxpayers.

The Commissioner understands that the Minister has responded to the Senator's representation.