

Standing Committee on Finance and Public Administration

ANSWER TO QUESTION ON NOTICE

Finance and Administration Portfolio

ComSuper

Budget Estimates Hearing – May 2007

Question: F31

Outcome 1, Output 1.1

Topic: Reference to the income tax treatment of non-super income at age 60

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Senator Sherry asked:

Senator SHERRY—Will there also be reference to the income tax treatment of non-super income at age 60?

Mr Markovic—I cannot tell you that off the top of my head. I do not recall seeing that in there. I would need to take on notice whether or not that is included in that mail-out. I certainly know the other items are included.

Senator SHERRY—It has been an issue of contention and a fair amount of comment. I am just wondering why it would not be included. Again, it is a different form of treatment, justified or not, for public sector employees.

Mr Markovic—I can take on notice whether or not that is included in the mail-out material.

Answer:

In the mail-out to pensioners (to be conducted in June 2007 and July 2007) ComSuper will describe how superannuation benefits will be taxed, in table and paragraph format, differentiating between the member's age when they claim their benefit (under 55/ 55-59/over 60) and whether the benefit is from a taxed source (tax has previously been paid on the contributions) or untaxed source (no tax has previously been paid).

ComSuper has not included a reference to the income tax treatment of non-superannuation income at age 60 or over in the mail-out.