

Society of Superannuants



Submission to:

The Senate Select Committee on Superannuation

In support of the Reduction in Surcharge Tax.

The Society has already made a submission to the Senate Committee requesting that Surcharge Tax be rescinded on grounds of equity.

The government's election commitment to reduce surcharge tax, whilst not fully supportive of the SOS request, does however offer hope, as this commitment included the intention to review the surcharge in three years.

The Society supports the Government initiative for the following reasons:

- Any reduction in the surcharge tax ameliorates inequities inherent in notional surcharge calculations that are amplified in existing, collection mechanism anomalies.
- Any reduction would effectively reduce the retirement savings dilemma foisted upon career women who pay surcharge tax on higher than usual superannuation contributions that are required to offset their broken employment patterns.
- As a mid life, front-end tax, the surcharge has the potential to reduce projected retirement income of surchargeable Australians to less than the community benchmark of 60% of final salary. Again, reducing the surcharge helps resolve this situation.

Most of the SOS's association members are those Australian citizens who will be totally independent of government support in retirement. One could reasonably expect that Australians who will receive no government support are concerned that the surcharge tax may not be reduced as they expected. It is the view of many that the government was elected in part because of its commitments to surchargeable Australians. It is to be hoped that the Senate committee will support the decision of the Australian people.

The Society would like to thank all Senators for their collective consideration of issues that will improve the retirement welfare of salaried workers.

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SINK OUR SURCHARGE

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