



Superannuated
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The Editor
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Sir

NOT SO SUPER

John Collett's article, "*Public service super*" (*SMH*, 18 April) paints a glowing picture of the defined benefit superannuation schemes that most Commonwealth and Defence superannuants receive and talks about how these schemes are "about to get even better."

Whilst these schemes are not subject to the whims of the market, readers may be interested to know that the average pension of \$20,649 is \$1,200 p.a. less than the combined married rate of Age Pension and mostly supports both members of a couple.

Whilst other Government funded pensions are wage-indexed, including those of MPs which are indexed by movements in parliamentary salaries and allowances, Commonwealth and Defence pensions are indexed by the CPI. There is on average at least a one and a half per cent difference between the two. Despite two Senate Committees recommending a change to a wage-based index, the Government continues to treat its former employees and retired Defence personnel as second class Australians by ignoring those recommendations.

And it doesn't end there. Whereas members of defined benefit schemes will have their super included as assessable income to determine their marginal tax rate on non-super income, members of taxed/funded schemes will not.

Further, the majority of Commonwealth superannuants will receive little if any benefit from the super changes to commence from 1 July. That is because the average pension is so low that they already pay little if any tax due to the operation of the Low Income Tax Offset and the Senior Australian Tax Offset.

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