



Superannuated  
Commonwealth  
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The Editor  
*Australian Financial Review*  
GPO Box 506  
**SYDNEY NSW 2001**

Dear Sir

### **FUTURE FUND FARCE**

Diana Streak's article, "New super catches out older investors" (*The Canberra Times*, 5 August 2006), discussed a concern raised by Paul Flint of the Council On The Ageing (COTA) regarding the Government's proposed superannuation changes. The article was most informative.

The issue discussed was also considered by SCOA in the preparation of its submission to Treasury regarding the Government's proposed *Simpler Super* arrangements. SCOA, in consultation with the Regular Defence Force Welfare Association (RDFWA) and the Australian Council of Public Sector Retiree Organisations (ACPSRO) has made a total of seventeen recommendations to the Treasury after careful analysis of the Government's proposed changes as they affect Commonwealth and Defence superannuants.

SCOA welcomes the Government's proposals to streamline and simplify superannuation, noting that the effect of the 10% tax offset for superannuants who belonged to an untaxed, (unfunded) scheme, (mostly public servants and Defence force members), will be of lesser value to those receiving lower superannuation pensions than it will for those receiving higher pensions.

I should mention that Diana Steak's article whilst very informative, unintentionally overlooked the fact that superannuation benefits won't be tax free for superannuants who are 60 or more who belonged to untaxed, (unfunded) superannuation schemes - i.e., mostly Commonwealth and Defence superannuants.

Superannuants belonging to a taxed scheme will receive their pensions tax free on attaining 60. Those people who joined the public service after 1 July 2005 will receive superannuation from the new Public Sector scheme tax free on attaining 60 because that scheme is a taxed, accumulation scheme.

Details of the Government's proposed *Simpler Super* arrangement's as they affect Commonwealth and Defence superannuants can be found at [www.scoa.asn.au](http://www.scoa.asn.au).

Yours sincerely

John Coleman  
Federal Secretary