



Superannuated
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MEDIA RELEASE

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CHANGES TO SUPERANNUATION WELCOME – BUT ..

The Superannuated Commonwealth Officers' Association (SCOA) welcomes Treasurer Costello's announcement yesterday of further changes to the Government's proposals to simplify superannuation announced in the Budget.

Ewan Hazell, SCOA's Federal President, said, "The Government's proposed changes to the taxing of superannuation will help ease the heavy tax burden that today's superannuants have borne throughout their lives. Our retired generations have been fortunate in many ways but they have also lived through times when the tax burden has been heavy."

Mr Hazell noted that the consultation process has already brought about some beneficial modifications to the Treasurer's proposal that he announced at the May Budget.

For retired and current Commonwealth employees the most important changes are in the taxing of lump sums from untaxed schemes, such as the CSS, and the indexing of thresholds in the tax regime for superannuation. These changes which were recommended by SCOA and doubtless other organisations will add a greater degree of longevity to the tax changes for superannuation.

However, there is always an "however".

There are many superannuants who cannot benefit from changes in the taxing of their superannuation. In fact there is an army of retired Commonwealth employees who will derive little or no benefit. This is because their pensions already are so low and they pay little or no tax already (the average pension currently paid by ComSuper is \$20,900 !).

Over the past ten years SCOA has conducted a campaign to change the indexation of Commonwealth superannuation pensions from the CPI to a wage-based index in line with the Age Pension and many other Government payments. Two Senate Select Committee inquiries have supported SCOA's position. But the Government has not agreed.

"While I recognise the benefit of Mr Costello's announcement and applaud it, I emphasise that SCOA remains deeply concerned and is committed to improvement for all Commonwealth superannuants", said Mr Hazell.

Further information available from: Ewan Hazell (Federal President, SCOA) at: ewanhazell@hotmail.com and 04-3935 0154.

The Superannuated Commonwealth Officers' Association has been looking after the interests of contributors, superannuants and families of Commonwealth superannuation schemes for over 80 years and currently serves a constituency of some 800,000 public sector retirees.