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## ***MEDIA RELEASE***

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### **WIDESPREAD SUPPORT FOR SIMPLIFIED SUPERANNUATION**

350 people attending two meetings by the Superannuated Commonwealth Officers Association (SCOA) yesterday indicates widespread interest in the changes to superannuation put forward in the recent Federal Budget. These meetings follow a similarly well-attended meeting in Queanbeyan a few weeks ago.

Guest speaker, Stephen Barnett of financial advisers Barnett, Lilley and Associates, explained the extent and impact of the proposed changes as well as the opportunities available to members of public sector super schemes.

Mr Barnett said the Treasurer's budget speech took many by surprise in presenting a raft of changes that included general tax relief now and a proposal for big reductions in the taxation of superannuation that will give substantial benefits to superannuants over 60 after 1 July 2007.

Key elements of the Budget proposals for public servants are the proposed 10% tax offset for pensions drawn from untaxed funds such as the CSS and the exempting from tax of lump sums and pensions drawn from taxed funds.

Members of most private and accumulation schemes will receive all payments from their super schemes tax-free after 60. Members of public sector schemes will need to manage their finances a little more carefully to achieve a similar result. Good advice from qualified financial advisers will be needed by many of these people to ensure they gain full benefits.

One of SCOA's key priorities is adequacy of retirement income. Given that the average Commonwealth superannuation pension is about \$21,000 pa any increase in that income is significant.

Participants also expressed support for additional changes proposed by SCOA in its submission to Treasury on the proposed changes, including: fortnightly payment of benefits; indexation of all thresholds on a six monthly basis by a common index - AWOTE; provision of separate explanatory booklets for both *taxed* and *untaxed* schemes (to ensure the latter are fully described); and several other procedural issues.

So, how do retired and serving Commonwealth Public Servants, Military and Federal Police find out more on these important issues ?

Stephen Barnett's full presentation and other relevant links can be found under "Current Issues" on the SCOA Web page - <http://www.scoa.asn.au>.

Further information available from: Alan Hatfield (President, ACT Branch of SCOA) at: [alanhat@bigpond.net.au](mailto:alanhat@bigpond.net.au) and 04-3858 7663.

*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.*