



Labor issues a blank tax invoice on super on eve of election

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More than a year ago the Labor Party announced its policy on superannuation, flagging a new 15% tax on retirement account earnings above \$75,000 to raise \$1.4 billion in revenue. Labor would also raise \$0.5 billion from higher income earners.

Labor said then: "If elected, these are the final and only changes Labor will make to the tax treatment of superannuation."

Last Sunday, just six days before the election, Labor changed its tune and revealed that it will tax superannuation more heavily if it is elected on Saturday.

When releasing Labor's budget costings for the election, the Shadow Treasurer said a Labor Government would take up all of the revenue measures on superannuation proposed by the Coalition.

He said: "*We continue to have concerns about the retrospective nature of the Government's measures, we want to raise the same money announced, but **committed to raising the same amount as the Government from the superannuation changes** and there are some measures, resources of government, we would then sit down with the sector and work out if there is a better way, like but **the commitment is to the envelope which the Government outlined.***" (our added emphasis).

The Government estimated its superannuation measures in the budget would result in a net gain to revenue of \$2.9 billion.

Labor is now proposing to tax superannuation savings to the same extent but is not saying how this will be done. For now, all it is saying is that it will pocket the extra tax revenue from superannuation changes proposed by the Coalition. After the election, it will sit down with the superannuation sector.

Labor's commitment to consultation is welcome but it's really not good enough, on the eve of an election, to flag new taxes on retirement savings without any detail. The Coalition Government has set out in detail in the Budget how its superannuation changes will work. Labor should do the same before the election.

Otherwise, it is asking people to support extra tax on their superannuation without saying how it will be applied and who will be affected.

The taxation of superannuation affects people in different ways according to their circumstances.

Before they go to vote on Saturday, people need to know how Labor's superannuation policy will impact their retirement savings.

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