

PRE BUDGET SUBMISSION

SUPERANNUATION REGIME AND AGE DISCRIMINATION

My submission is that the superannuation legislation that precludes an individual over 70 years of age from making tax deductible superannuation contributions is discriminatory and unnecessary. Of course the Federal Government exempts itself from the Age Discrimination Act. So it may, but the individual caught by the discriminatory age limit, has to live with being denied the opportunity to create and accumulate a retirement fund. Further, the individual suffers unnecessarily an inflated income tax assessment.

The official reason, as given to me, for introducing the age limit is that it was introduced to prevent persons using the superannuation regime for family and financial planning purposes. This reason is baseless because such use of the regime violates the sole purpose test. To violate the sole purpose test renders the superannuation fund non-compliant thereby forfeiting the favorable taxation treatment enjoyed by the superannuation regime.

The 2017 legislation, introducing the \$ 1.6 million cap on the pension account, affords the opportunity to legislate that there be no discriminatory age limit on contributions until the member accumulates a fund to equal the \$ 1.6 million cap. This would be an immense benefit to the likely increasing demographic of people continuing to work beyond the age of 70 years.

I am 88 years of age and continue to work full time. I have no superannuation fund and since turning 70 years of age have been denied the opportunity to create and build a superannuation fund. Further I have incurred inflated income tax assessments. The consequences for me have been devastating. So I ask that serious consideration be given to abandoning the age threshold and allowing any person working to continue to contribute until their fund reaches the capped amount of \$ 1.6 million.

Arthur Leonard Walters