

Director  
Superannuation Tax Unit  
Retirement, Advice, and Investment Division, Treasury

**SUBMISSION: TREASURY LAWS AMENDMENT (BETTER TARGETED SUPERANNUATION CONCESSIONS) BILL 2023**

I am a former Australian Public Servant, who is in the pension phase of a defined benefit scheme. I also work part-time for a company, as an advisor to their clients. I am comfortable with my submission to be published, on the condition that **my name and personal details are not published, or provided publicly, as my submission refers to personal financial circumstances and for other reasons**. If this condition cannot be met, I request that my submission not be published.

By way of background, on retiring from the Australian Public Service, my Total Superannuation Balance (TSB) exceeded \$3 million. As many would be aware, the Commonwealth government paid for public servants to attend information sessions on their superannuation schemes, as I did, and we were advised at those sessions to contribute as much as you could afford, recognising our personal contributions were made after tax. The company I now work for periodically pays me a salary, which I appropriately pay tax on at the top marginal rate. The law as it stands requires the company to pay superannuation guarantee to a fund I have nominated, currently at a rate of eleven percent of the salary paid to me. I subsequently receive amended assessments and accordingly pay the additional tax as it relates to excess contributions and Div293.

I appreciate the policy intent of the package and that it is designed to ensure that people with large TSBs do not exploit the concessions available. I do not need or want to add to my super. However, the current superannuation guarantee arrangements don't have a provision that enables me to stop my current employer making guarantee payments. Even though my TSB exceeds \$3 million, with only one employer I do not meet the current eligibility criteria to opt out of super guarantee and therefore be granted, by the Commissioner of Taxation, a superannuation guarantee exemption certificate to provide to my employer, or employers if I end up working for two entities. **Requiring employers to make superannuation guarantee contributions on behalf of an individual when that individual has a TSB of more than \$3 million, and the individual does not want to increase their super, is incongruent with the intent of the proposed amendments.**

I recommend that the grounds for an individual being granted a superannuation guarantee exemption certificate, that they can provide to their employer(s), be extended to include those with a TSB over \$3 million. Such a change would be consistent with the policy intent of the proposed amendment bill. The individual still has the choice of whether to seek the exemption. However, for those seeking and being granted the exemption, the cycle of excess contribution and Div 293 notices as it related to unwanted superannuation guarantee payments would stop, simplifying tax arrangements for individuals in similar circumstances and having a positive impact on the Australian Taxation Office costs of administration.

Regards

Former Australian Public Servant