



# ACPSRO

Australian Council of Public Sector  
Retiree Organisations

September 2024

## **ACPSRO ASKS THE SENATORS ... WHAT ABOUT THE UNFAIR TREATMENT OF UNFUNDED SUPERANNUATION PENSIONS !**

Dear Senators

### **Better Targeting Superannuation Tax Concessions and Unfunded Defined Benefit Pensions**

*(Treasury Laws Amendment (Better Targeted Superannuation Concessions and Other Measures) Bill  
2023 Superannuation (Better Targeted Superannuation Concessions) Imposition Bill 2023)*

ACPSRO understands that the above legislation will soon be considered by the Australian Parliament. I wrote previously on 3 June 2024 seeking that this legislation exclude unfunded defined benefit superannuation interests.

As we stated earlier:

1. unfunded superannuation pensions do not receive the generous and open-ended taxation concessions which are the target of this reform;
2. this legislation will impose higher taxes on women for any given level of unfunded superannuation; and
3. unfunded superannuation pensions are already subject to normal income tax and the imposition of the Division 296 tax on an ascribed asset, which does not even exist, will likely take the marginal tax rate on these pensions to 60%;

The stated purpose of the Government's Division 296 measures is to ensure **the better targeting of superannuation tax concessions.**

The application of Division 296 tax to an individual's unfunded superannuation will amount to the double taxation of that superannuation and impose an effective marginal tax rate which is likely double that proposed under the government's reforms.

This is neither equitable, or just, and unfunded superannuation should be excluded from this proposed legislation.

Yours Sincerely

John Pauley  
President

Australian Association of Public Sector Retiree Organisations