**Inheritance Superannuation**

Premise superannuation is for the purpose providing an income stream in retirement. Throughout the working life of an individual the accumulation phase of superannuation, funds are held in trust. Both the corpus and earnings are deemed trust monies.

The nature of trust funds established for the purpose of superannuation should retain these characteristics until such time as the trust funds have been extinguished. Extinguished funds would occur upon liquidation of the trust, beneficiary receiving all monies as a pension stream. Unextinguished funds or Inheritance Superannuation would be the residual of any funds not extinguished by a previous beneficiary who has passed away.

Inheritance Superannuation would be passed to the nominated person, without taxation, under the will of the deceased or a certified nominated person under the superannuation trust fund. These nominations would be expressed in terms of a percentage. Laws of intestacy would need to create a formula to deal with Inheritance Superannuation.

The nominated person would need to provide the details of a compliant superannuation fund before Inheritance Superannuation would be transferred.

The pension stream would provide an income to the superannuation fund member. There would need to be a minimum of 2 times the federal government pension rate, with a maximum of 10% of the superannuation balance at the time of official retirement. (Actuaries, could provide a better maximum percentage based on life expectancies and retirement ages and predicted earning on trust funds to be paid in future years.)

There would be no lump sum payout.

*Rates of taxation within superannuation fund*

Personal contribution after tax 0%

Inheritance Superannuation 0%

Contributions 15%

Earnings 15%

*Rates of taxation on pension stream*

Recipient of pension stream 15%

In summary once funds are contributed to a superannuation fund or earned by a superannuation fund then they remain as superannuation. This may lead to circumstance that they pass from generation to generation, thus the term Inheritance Superannuation. The purpose is to significantly reduce pensions paid by the government and build a stronger superannuation basis in Australia.