

Chartered Accountants ANZ welcomes the opportunity to provide a submission in relation to the above consultation.

Overall we support this policy change. It has long been our view that the super contributions rules for those aged at least 65 but under 75 are unfairly and unnecessarily restrictive and therefore any removal of these rules, however minor, is a welcome development.

We acknowledge that in 2016 the government initially proposed the removal of current rules but elected to withdraw this welcome policy suggestion to allow greater flexibility in how non-concessional contributions could be made.

Given the complex nature of the existing superannuation contribution rules and related tax regime, it must be acknowledged that this new proposed rule adds to this complexity especially in relation to the following areas:

- What contribution cap applies in which year to a specific super contribution?
- When has a superannuation investor failed the gainful employment test and hence able to use this new rule?
- Combining the three year bring forward rule with the proposed new rule – this is the focus of the current exposure draft explanatory memorandum
- How this proposed new rules and the catch up concessional contribution work together (or don't)
- Penalty tax that may apply

We would welcome the government allowing some greater flexibility with the proposed rule – we expect inadvertent errors to be made by advisers and investors not necessarily appreciating some of the finer points of each particular rule and understanding how they all fit together.

Ideally we would like the government to completely remove the gainful employment test for all those aged under 75. We believe this would be a welcome simplification of the current rules. (The government could elect to retain the current limitation that three year in advance rules cannot be made after the financial year in which a person turns age 65 to limit the quantum of super contributions that can be made.)

If our proposed change is not feasible then the government could consider the following adjustments to this policy:

- Allowing those eligible to use this new contribution rule to make contributions for two or three years after ceasing gainful employment rather than one year
- Extending the three year bring forward rule to those aged less than 70

Finally, we request that the government provide some further guidance – preferably via examples - in the explanatory memorandum for the proposed legislative change before introducing a Bill into Parliament on how this proposed new rule interacts with some of the contribution rules we have noted above.