

Director
Superannuation Tax Unit
Retirement, Advice and Investment Division
Treasury
Langton Cres
Parkes ACT 2600

Dear Director,

This letter is a submission in response to the public request for consultation on *Treasury Laws Amendment (Better Targeted Superannuation Concessions) Bill 2023* (the Bill) and the *Superannuation (Better Targeted Superannuation Concessions) Imposition Bill 2023*.

An accompanying copy of this submission marks the elements of it that I require to be treated in confidence.

I am fully retired and hold superannuation interests [REDACTED] [REDACTED] comprising an accumulation account in a Self-Managed Superannuation Fund (SMSF) and a defined benefit pension payable from the Commonwealth Superannuation Scheme (CSS).

My wife is also fully retired and holds [REDACTED] [REDACTED] comprising a pension account in the same SMSF and a smaller defined benefit pension payable from the CSS.

We are both supporters of the government's policy to reduce the tax benefits currently afforded to high balance superannuation accounts. We have no issue with the proposed \$3m TSB threshold and would even support a lower TSB.

This submission makes three suggestions:

- (a) The legislation should include a provision to enable couples in our position to equalise, or otherwise adjust, unequal lifetime superannuation balances by an appropriate prudential splitting arrangement without penalty. After all, we could do this if we were to separate or divorce. But after 55 years that course has no appeal. This measure should be provided for and permitted well ahead of 1 July 2025.
- (b) The foreshadowed regulations providing the valuation methods for defined benefit superannuation interests should be developed and published forthwith. They will be an essential consideration in any orderly prudential planning and restructuring of relevant superannuation interests prior to 1 July 2025.
- (c) Where a person with a TSB in excess of \$3m decides to restructure their superannuation interests by transferring some permitted part to their personal ownership or to a related entity, such transfers should be permitted with the existing Capital Gains Tax (CGT) base value of the

assets preserved. That is, the restructuring should not trigger a CGT liability (or loss).

I commend these suggestions for consideration.

Yours sincerely

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3 October 2023