



MARINIS
FINANCIAL GROUP

23rd September 2013

Senator the Hon Mathias Cormann
Finance Minister
PO Box 6100
Senate, Parliament House
CANBERRA ACT 2600

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Dear Senator Cormann,

EXCESS CONTRIBUTIONS ON NON-CONCESSIONAL SUPER CONTRIBUTIONS

Congratulations on the Coalition's election as the Government of Australia – it must feel like an exciting time in your life when you know your decisions can have real impact.

I've written to you on occasion while you were in Opposition and attended various functions that you spoke at and have consistently raised the spectre of how awful Excess Contribution Tax (ECT) on Super is. Bill Shorten dealt with one aspect, but I would like to request that you finish the job by removing ECT on Non-Concessional Contributions (NCC's).

It seems wicked to me that hard-working Australians who make simple mistakes can be punished so seriously! I know of a scenario where a \$1,000 error can cost a person almost \$140,000 in ECT!

When it comes to the "dumb things to fix in super" list, please consider adding the former Labour government's proposed tax on retirees earning over \$100k within their Account Based Pension– a first year financial planner will be able to work around this.

This was another of Labor's hastily concocted, ludicrous policies on the run that will simply add complexity and cost for very little revenue.

Similarly, applying deeming rates to Account Based Pensions will just cause a dramatic draw down and move thrifty people on to the pension earlier (or see their age pensions increase sooner as the disincentive to run down their ABP's will be removed) it is absolutely crazy. This will save no revenue and in fact increase the government's age pension outlays in the future.

Philosophically, I would recommend you encourage Australians to grow their wealth in super – don't put up barriers. Everybody wins this way.

As always, if you have any questions, please feel free to contact me if you would like more detail.

Sincerely

Theo Marinis B.A, B.Ec, CPA, CFP®
Financial Strategist
Authorised Representative