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The Hon. Kate Ellis MP
161a Main North Road
NAILSWORTH SA 5083

Dear Ms Ellis,

SUPERANNUATION

I'm writing to you as a constituent and long-time Super supporter to request a meeting with yourself to ask you to use your influence to remodel the Australian superannuation system.

Basically, I believe Bill Shorten has got it wrong. He is allowing a super system that penalises the less well paid, while supporting the very wealthy, to emerge. I make this comment after 15 years as a financial adviser (10 years related public service employment with the ATO, ISC and Centrelink) and someone who employs 10 people, administering over \$80 million in retirement savings for South Australians.

The recent budget announcement which permitted individuals to fix one overpayment to super (or Excess Contribution) was to my mind mean. Usually overpayments are mistakes which occur to busy self-employed people and are often caused by junior staff. Like tax issues, I think we should allow three years to reverse any errors without penalty.

Under the current system, if an ordinary hard-working person accidentally pays too much into their super, they are likely to be hit with Excess Contributions Tax of up to 93%. However, if they were a white collar criminal attempting to defraud the ATO the penalty under Part IV of the ITAA would be half this. Also, as it stands, a very wealthy person, can make Concessional Contributions to super of up to \$200,000 and only suffer the pain of paying their marginal tax rate, which in reality is no penalty at all. This is greatly unjust.

Turning to the bigger picture, I would like to see a more reasonable system of super savings, one which had a lifetime concessional limit – say \$1,500,000 adjusted for CPI. This would mean that for example, if a farmer had a plentiful year they would be able to contribute more than the age based limits of \$25,000 or \$50,000 – or if a mum returns to work and the family could afford it, she could “catch-up” on the super savings she missed. To my mind the current system is designed by male public servants who think everyone earns the same predictable amount all their lives like they do.

Please let me know when would be a convenient time to meet to discuss these issues.

Yours sincerely


Theo Marinis B.A., B.Ec., CPA., CFP®
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