

From: Grow | Marinis Group
Sent: Friday, 8 November 2013 1:16 PM
To: Grow | Marinis Group
Subject: From Cormann to Sinodinos - Handover of Communications – An eGrow Update
Attachments: 2013 09 23 - Cormann - ECT on Non-Concessional Super Contribution.pdf; 2013 10 24 - Cormann Reply to Letter Dated 23.09.2013.pdf

Dear Friends

One of the first letters to be received by the new federal Government was from myself to Senator Matthias Cormann outlining some headline issues which need to be fixed in our (excellent) superannuation system in order to make it even better.

Yesterday I received advice from Senator Cormann's, Chief of Staff stating that my letter to him is now being redirected and will be considered by the Assistant Treasurer, Senator Arthur Sinodinos.

I am quietly encouraged by this. It suggests that the new government is taking super issues seriously and is prepared to listen to advice and ideas from the people who work within the industry all the time.

Last Wednesday's announcement of the dropping of the previous governments proposed tax on superannuation income of more than \$100,000 pa was a good start. Put frankly, it was a tax no-one with a decent financial adviser would have paid.

As I am sure you all know I see it as part of my role to restlessly advocate for improvement to our retirement saving system on behalf of my clients.

I have attached to this email, copies of the original letter to Mathias Cormann and the correspondence from his office. I have also placed them on our website should you wish to review them and I will advise you of any subsequent response in due course.

As always, I welcome any questions, therefore please do not hesitate to call us at our office.

Yours sincerely

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



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MARINIS
FINANCIAL GROUP

23rd September 2013

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

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


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Office of
SENATOR THE HON MATHIAS CORMANN
Minister for Finance

REF: C13/2595

Mr Theo Marinis
Marinis Financial Group
67 Kensington Road
NORWOOD SA 5067

Dear Mr Marinis

Thank you for your letter of 23 September 2013 to the Minister for Finance, Senator the Hon Mathias Cormann, regarding excess contributions on non-concessional super contributions.

As this matter falls within the responsibilities of the Assistant Treasurer, the Minister has asked that I forward this correspondence to the office of the Assistant Treasurer, Senator the Hon Arthur Sinodinos AO, for consideration.

Yours sincerely

A handwritten signature in blue ink, appearing to be 'S. Atkinson'.

Simon Atkinson
Chief of Staff

24 October 2013