



MARINIS
FINANCIAL GROUP

20 February 2024

The Hon. Stephen Jones MP
Assistant Treasurer
Parliament House
Canberra ACT 2600

Dear *Minister Jones,*

Remove 'Widow's Tax' from death benefit pensions

I write to draw to your attention to an inconsistency in the superannuation regulations which requires the pension account of a deceased person to remain active – at significant cost to a beneficiary.

The inconsistency occurs when a surviving partner, also in pension phase (and statistically most likely to be female) is required to maintain separately to their own pension, the Death Benefit pension of a deceased partner.

The current restriction on the amalgamation of two Account Based Pensions, both legally the property of a surviving partner, results in the incursion of two sets of administration of and investment fees, creating an impost which can run to some hundreds of dollars. It is akin to a 'Widow's tax' – although unlike a true tax, there is no revenue payment to the government; this windfall is collected solely by the superannuation fund provider.

It is an anomalous situation which should, and can be rectified. An amendment to the current regulation to allow a surviving partner to consolidate a deceased partner's pension balance with their own would remove the need to incur double administration costs. Whilst in some rare instances there may be Transfer Balance Cap considerations, the pensioner still has time to decide how to deal with any excess amounts.

Minister, in conclusion, I put to you that to retain the status quo via the current regulation is tantamount to charging fees to the deceased – a practice which you would recall, attracted the considerable wrath of Commissioner Hayne during the Banking Royal Commission.

Your consideration to this matter is appreciated. Should you or any member of your department require additional information or clarification, I will be happy to respond.

Yours sincerely,

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

T 08 8130 5130

F 08 8331 9161

E admin@marinisgroup.com.au

W marinisgroup.com.au

A 49 Beulah Road
NORWOOD SA 5067