

**From:** Grow | Marinis Group  
**Sent:** Friday, 5 August 2016 11:00 AM  
**To:** Grow | Marinis Group  
**Subject:** Still in Limbo – and Bad Policy Abounds  
**Attachments:** Media Release No. 64 - 2016 06 16 - Stop Attacking Older Australians.pdf; Media Release No. 65 - 2016 08 01- Stop super nightmare.pdf

Dear friends

The future of superannuation and retirement savings remains in 'Limbo' as we still don't know how the new senate will look – or indeed, act. However, I am determined to point out the failures of both parties' policy in this area.

For some imponderable reason, older Australians are being attacked by their own government – all in the name of poorly targeted 'budget repair'.

From 1 January 2017, a significant number of people receiving an Age Pension will find their benefits cut or removed, because they had put away a little too much super while they were working. These are people who paid their taxes, listened to the message to provide for themselves in old age – and put everything they could spare into retirement savings. This change is inconsistent with previous retirement incomes policy. It has the potential to move more people away from self-funded retirement, with even more long term burden on the public purse.

For those who are still working and trying to provide for themselves, the government intends to cut their concessional limit by \$10,000 p.a. While I agree in principle, that the proposed \$1.6m per person in tax free pension phase makes sense, the cut to the concessional limit does not.

Nor does the proposal to retrospectively cap non-concessional super contributions to \$500,000. It makes the \$1.6m pension level an academic argument – people will never get there!

Furthermore, if the proposed \$1.6m threshold for funds in the tax exempt pension phase is exceeded, there will be a 15% tax payment on the excess (as well as a 10% GST on spending) so why the overkill?

The mindset is wrong; it should be "how can we get people to contribute as much as possible up to the \$1.6m limit?" Not "how can we stop people from trying to provide for themselves?" It does not make sense to put barriers in the way of savers.

It troubles me that so little thought has gone into such negative policy. The cynic in me thinks it may well be that the bureaucrats coming up with such poorly thought out policy ideas don't live in the real world; nor are they affected by these proposals they make. It would make more sense, for example, to see the public service try to work out more equitable ways of increasing superannuation (particularly for women) rather than trying to make life harder for all.

I am hopeful that the senate will save the government from itself and block this BAD policy – or perhaps (as he is reported to have said in the media) Liberal National Party member George Christensen will cross the floor on the vote!

Consistent with my ongoing commitment to 'keep the bastards honest', several recently issued Media Releases on these topics are attached for your reference.

As always, if you would like to discuss any aspect of this edition of eGrow, or the attachments, please do not hesitate to contact me or any member of the Marinis Financial Group team on 08 8130 5130 or via email at [admin@marinigroup.com.au](mailto:admin@marinigroup.com.au).

Kind Regards

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## Stop Attacking Older Australians

“The federal government (and to some extent the opposition) seem to have put older Australians in the same category as rip-off merchants and con artists; they are effectively using pension and superannuation policy to attack them,” says Adelaide based financial strategist Theo Marinis.

“The cuts to pension entitlements from 1 January 2017 penalise a hard working, pre-superannuation generation who have tried to act responsibly and put away some money for their retirement and aged care planning. Instead, they now face the prospect of having poverty imposed on them by our overpaid, over privileged politicians and bureaucrats,” Theo said.

“I know dozens of older Australians who will find their income slashed on New Year’s Day. I think the policy maker’s idea is that these people will ‘go quietly’ and not complain.

Similarly, those in Transition to Retirement are not the richest 4% of the population; they are ordinary working Australians who have also had the good judgement to take responsibility for building their own super savings. By my calculations, an average working Australian and a ‘fat-cat’ will both benefit around \$8,000 pa by adopting a T2R, with a little more going to the average wage earner. They are utilising this strategy legally and morally, but the government plans to reduce the amount they can put away by \$10,000 and imposing a 15% tax on their income.

Australian governments and oppositions should be encouraging every citizen to put as much money as possible into superannuation as soon as they can, for as long as they can. Transition to Retirement is about allowing older Australians to keep working in a less rigorous job regime while they contribute to super – and to the tax base.

A \$1.6 million account based pension limit is fine as this would provide each working Australian with around \$80,000 pa in income – therefore do away with the roadblocks and help people to get there!

Age is not a gift bestowed on everyone, but we need to stop thinking of older Australians as some kind of ‘financial enemy of the state’. They built this country, they paid for our education, they built our roads and hospitals and in return they deserve respect, dignity and praise. They do not deserve to have politicians continually cutting back their remuneration or self-funding strategies,” Theo said.

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### Disclaimer

The information in this article reflects Theo Marinis’ understanding of existing legislation, proposed legislation, rulings etc. as at the date of issue. While it is believed the information is accurate and reliable, this is not guaranteed in any way. The information is not, nor is it intended to be comprehensive or a substitute for professional advice on specific circumstances.

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## Senator Xenophon might be able to stop Super Nightmare

“Perhaps Senator Xenophon is the only person capable of saving the federal government from metaphorically shooting itself in the foot and creating a nightmare scenario for the ATO over their illogical new super proposals,” says Adelaide based financial strategist Theo Marinis.

“Media reports suggest the ATO is presently refusing requests to provide details of individual non-concessional contributions (NCCs) in writing. If the reports are correct, this stance is reprehensible. As a result I expect we will see hundreds of thousands of Australians going to the Ombudsman demanding the ATO provide the details they have.”

“Under the Taxpayer Charter, the ATO is required to respond to us in writing, within 28 days. If you write and ask for your NCC balance to be confirmed in writing by the ATO and you get fobbed off, write to them again and advise that if you don’t get the information requested, you will go to the Ombudsman. Then, if necessary, back it up by lodging an appeal.”

“As a former ATO staff member with the benefit of insider knowledge, I have successfully taken this approach with my clients for years.”

“The federal government’s current position does not make sense. A \$1.6m cap on super is workable, but why slash the annual concessional contribution (CC) to just \$25,000 – surely it makes sense to encourage people to put away as much as they can spare to fund their retirement?”

“The present proposal makes it impossible (or at least extremely unlikely) to get to the \$1.6m level. So, why do we need an NCC cap with the admin nightmare (which we WILL ALL pass on to the ATO) that it presents for taxpayers?”

“The Treasurer is also fooling no-one with his claim that back-dating the level of Non-Concessional Contributions to \$500,000 is not retrospective. The claim is dishonest; 2007 was nine years ago!”

“What this lunacy proves is that we need a senate committee enquiry into superannuation chaired by someone of the standing and intellect of Senator Xenophon – someone who does not have vested interests.”

“A senate committee, away from the excitement of budget and election time, should come up with a sensible and bi-partisan approach to super from which all Australians can benefit and plan around.”

“I hope Senator Xenophon is able to take up this opportunity to help the government out of the mess it has made for itself and the ATO – and more importantly, working Australians who just want certainty and fairness in the superannuation system,” said Theo Marinis.

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