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LABOR'S RETIREES TAX HITS HARD WORKING AUSTRALIANS

Labor's \$45 billion retirees tax will hit hard working Australians who have done the right thing and saved for their retirement.

More than 900,000 individuals, 200,000 self-managed super funds and 2000 super funds will be hit by Labor's retiree tax.

On average, Australia-wide, under Labor's retiree tax individuals with excess franking credits could lose \$2200 a year and self-managed super funds \$12,000 a year. Many will lose more.

As former director of The Organisation for Economic Co-operation and Development Dr Adrian Blundell-Wignall said:

“Labor's proposal punishes a subclass of savers, **but not industry and other funds that will get the full benefit of their credits.** It punishes those who looked after themselves for retirement. It will be imposed retrospectively, making a mockery of the policies that were the basis of lifetime saving and asset allocation decisions”

Despite the rhetoric from Labor that their policy is designed to tax the rich nothing could be further from the truth with about 84 per cent of those affected having a taxable income of less than \$37,000, and 96 per cent of those affected having a taxable income of less than \$87,000.

Additionally under Labor's plan, somebody with a high taxable income of \$200,000 a year and who is receiving a \$7000 dividend on their shares can enjoy the full benefit of their \$3000 franking credits, while a low-income earner under the tax-free threshold or a retiree with a Self-Managed Super Fund (SMSF) in the pension phase can't use their franking credits at all.

The consequence of this is that more people will need to rely on the Age Pension as they lose their income from refundable franking credits.

As the Chair of The Alliance for a Fairer Retirement System Professor Deborah Ralston said:

“For self-funded retirees and SMSF members this is a cruel blow. They have saved for their retirement under rules that have been in place for over a decade, and now find they will lose up to 30 per cent of their income in on hit if Labor is elected... the end result will be to drive many retirees on to welfare.”

The Parliamentary Inquiry that is examining Labor's policy has received over 1000 submissions. Many of these submissions are from individuals, mums and dads and retirees on modest incomes sharing their personal stories of how Labor's cruel policy will hurt them.

It's time Bill Shorten ditched his policy and admitted that his retirees tax will hurt Australians who have done the right thing and saved for their retirement.

Labor's retiree tax is part of their plan for more than \$200 billion in additional taxes on your income, your property, your business and your savings.

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