

## **Superannuation Laws Amendment (MySuper Capital Gains Tax Relief and Other Measures) Bill 2013**

*Introduced into the House of Representatives on 29 May 2013*

*Portfolio: Treasury*

### **Summary of committee view**

1.51 The committee seeks further information as to why it is necessary to reduce the superannuation benefits of high income earning Australian Defence Force members and how this is consistent with the right to social security.

### **Overview**

1.52 This bill seeks to facilitate the MySuper reforms (relating to the governance of superannuation) by providing income tax relief to superannuation funds where there is a mandatory transfer of default members' account balances to a MySuper product in another superannuation fund, thereby ensuring members are not financially disadvantaged.

1.53 It also seeks to enable amounts under the Defence Force Retirement and Death Benefits (DFRDB) scheme to be paid by the Commonwealth Superannuation Corporation and to adjust benefits under that scheme to reflect those payments.

### **Compatibility with human rights**

1.54 The bill is accompanied by a statement of compatibility for the two Schedules of the bill. The statement in relation to Schedule 1 states that it is compatible with human rights as it promotes the right to an adequate standard of living by increasing the retirement savings of individuals. The committee notes that as the Schedule deals with superannuation it is likely to also engage and promote the right to social security under article 9 of the International Covenant on Economic, Social and Cultural Rights (ICESCR).

1.55 The statement of compatibility states that Schedule 2 does not engage any rights and so is compatible with rights. However, the committee notes that the effect of the amendments in this Schedule allow a lump sum to be paid from a superannuation interest in the DFRDB scheme to meet a debt account discharge liability for Australian Defence Force members of the scheme who are very high income earners. As a result of this the member's superannuation benefits, including any reversionary pension to be paid to a surviving spouse of a deceased member, is reduced. No reason is given as to why this is necessary, how much the benefits may be reduced by, and whether this is consistent with the right to social security under article 9 of the ICESCR.

**1.56 The committee intends to write to the Minister for Financial Services and Superannuation to ask why it is necessary to reduce the superannuation benefits of high income earning Australian Defence Force members and how this is consistent with the right to social security under article 9 of the ICESCR.**