

Senate Economics Legislation Committee

ANSWERS TO QUESTIONS ON NOTICE

TREASURY

Australian Taxation Office

(Budget Estimates 2 June 2005)

**Outcome 2**

**Topic:** Notification of surcharge debt

**Hansard Page:** E71-72

Senator Sherry asked:

Is there a requirement for the fund to notify them on an ongoing basis of the debt level?

*Mr Jackson—As far as I know, not from the surcharge legislation perspective. I would expect there would be obligations under other legislation for the trustees of those funds to notify their members of material matters like that.*

**Senator SHERRY**—Could you check the position? You can take it on notice, because I do not think you would know now. It would seem to me, given there is an ongoing debt build-up for many members of defined benefit funds, that they do have a right to know the amount of debt that is building up

*Mr Jackson—If you recall, one of the issues we talked about a little last time was a qualification of our financial statements in this area. The law does not require us to keep an account in those circumstances; the account is kept by the fund. These are generally government funds. I am fairly confident, but we will check into that for you.*

**Senator SHERRY**—But it is a government tax that is accrued as a debt, with interest being added despite the fact that the base debt will not grown any larger as no more tax surcharge being added. It would seem to me that there is an obligation for someone to inform the individual of their level of accrued debt. It would seem only fair that that should occur.

*Mr Jackson—I would expect that the trustees of the funds would be able to do that.*

**Senator SHERRY**—We know they are able to do it because they are doing it at the moment.

*Mr Jackson—You want to know whether they have to do it?*

**Senator SHERRY**—Whether they have to do it once the surcharge tax is abolished.

*Mr Jackson—I will find out for you.*

Answer:

There is no obligation under superannuation surcharge legislation for trustees to notify members of surcharge debt.