

Dear Sirs,

I wish to lodge a strong submission for the retention of the dividend imputation system, particularly in view of its implications to retiree's over the age of 60.

The recently introduced income tax exemption for Superfund income of retiree's over the age of 60 has the effect that any imputation credits received constitute additional income. If a retiree's Superfund income is derived solely from fully franked dividends the imputation credits attached to those dividends give rise to an additional 30% of that income through a tax refund.

Many people like myself have relied on this additional (imputation) income to enable them to fund their retirement needs and indeed made decisions to retire based on the expectation of the continuation of this feature of the tax system.

To deprive retired people, particularly self-funded retiree's of this benefit of up to 30% of their income would be particularly draconian. The drop in dividend receipts arising from the global financial crisis coupled with a withdrawal of dividend imputation would result in the income from fully franked dividends of retiree's being reduced by approximately 50%. Many would be unable to survive on the reduced income and would be forced to look for employment in a climate when very little is available. Alternatively many self-funded retiree's would be forced to apply for the Government's age pension. I strongly urge that any changes to the tax system do not impose additional imposts on nor reduce benefits currently available to persons who are no longer in the work force.

Regards,

Richard McLoughlin
[removed for privacy reasons]