

Dear Sir or Madam,

Subject: Remove Australian Tax on Foreign Pensions

For the upcoming 'Henry Tax Review' I would like to bring the following (in my opinion strange and unfair situation) to your attention:

I am a self-funded retiree and receive a pension from an Australian superannuation fund, as well as a foreign old-age pension.

I have been (and still am) a long time Australian citizen.

As far as I am aware, both pensions were funded in exactly the same way, as part of my employers' contributions on my behalf (my overseas pension contributions were actually directly taken out of my salary, if I remember well).

Retirees over a certain age (and I am well over that age) are supposed to receive any income from superannuation free of tax in Australia.

This however is not entirely true, because even though the country of origin for my old-age pension does not tax me on my pension income, the Australian Government does.

This pension has not cost the Australian Government one cent. My pension is of course spent here in Australia. Australia therefore receives the full benefit of my foreign pension, even if it were untaxed. If it were untaxed, it would actually help the Australian economy, similarly to the bonus payments now handed back to pensioners and others in an attempt to boost the Australian economy.

Why is my foreign pension treated as foreign income, rather than as a tax-free pension, just the same as Australian pensions?

This seems unfair to me, and I wonder whether this would be an area of interest for your tax review.

I am of course not the only person adversely affected by this. I assume that all recipients of foreign pensions are treated in the same way. It makes it however no less unfair.

Kind regards,
Ir. Hans H. Feitsma