

**This submission concerns the tax treatment of superannuation income on an age-related basis.**

The taxation of superannuation pension, since 1 July 2007 under the 'better super' scheme, is as follows; 'At age 55 and over, the member is granted a 15% tax offset on the taxed component of his superannuation pension; at 60 this component will be tax free'.

In the case of military superannuation, this is unfair as many ex-service members, through no fault of their own, are in receipt of such a pension at an early age due to medical retirement etc.

In normal employment, a person would be taxed at the same rate as fellow employees, regardless of age. Yet the scheme set in motion by the previous government discriminates on the grounds of age.

Two people working for the same employer, one aged 50, the other 60, would be taxed at the same rates. Surely retirees can be treated in a similar manner.

A much more equitable system should recognise that retiring military personnel are often younger than retiring civilians and should be accorded immunity from the age-based taxation breaks.

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