



Tuesday, 28 February 2023

## **FSC STATEMENT ON GOVERNMENT TAX CHANGES TO SUPERANNUATION**

The Financial Services Council (FSC) notes the certainty of today's Government announcement to tax superannuation balances over \$3 million but warns there are still important details to be resolved.

CEO of the FSC Blake Briggs, said: "Australians have some certainty on the Government's plan to increase taxes on superannuation savings after today's announcement, including that there will be an initial transitional period before the new rules come into effect.

"The Government has set an important precedent by taking their superannuation taxation changes to the next election.

"The FSC urges the Government to commit to using the revenue raised from the \$3 million cap to improve equity in the superannuation system, particularly paying superannuation contributions on the Government paid parental leave scheme.

"The Government should go further and rule out more punitive changes to superannuation taxes so consumers can be confident using the superannuation system to save for their retirement."

The FSC will work constructively with the Treasury through the consultation process on details that still need to be resolved, including:

- The long-term impact if the \$3 million threshold is not indexed;
- The interaction with the transfer balance cap;
- How investment earnings will be calculated;
- Impacts on consumers in accumulation phase who are unable to adjust their super balances; and
- How contributions from structured settlements on personal injuries will be treated.

- ENDS -

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### **About the Financial Services Council**

The FSC is a peak body which sets mandatory Standards and develops policy for more than 100 member companies in one of Australia's largest industry sectors, financial services. Our Full Members represent Australia's retail and wholesale funds management businesses, superannuation funds, life insurers and financial advice licensees. Our Supporting Members represent the professional services firms such as ICT, consulting, accounting, legal, recruitment, actuarial and research houses. The financial services industry is responsible for investing more than \$3 trillion on behalf of over 15.6 million Australians. The pool of funds under management is larger than Australia's GDP and the capitalisation of the Australian Securities Exchange and is one of the largest pools of managed funds in the world.