

W/18

**The Australian Association
of Former International Civil Servants
(AAFICS)**

5/4 New McLean Street, Edgecliff, NSW 2027

25 July 2006

General Manager
Superannuation, Retirement and Savings Division
The Treasury
Langton Crescent
PARKES ACT 2600

Submission and comments on 'A Plan to Simplify and Streamline
Superannuation'

This submission is being made on behalf of the members of the Australian Association of Former International Civil Servants (AAFICS). The members of AAFICS comprise retired staff members of the United Nations and Specialised Agencies of the United Nations and surviving spouses of deceased members.

The aim of AAFICS is to maintain contact between members, and provide assistance and advice to its members on their rights and obligations as retired staff members of the United Nations and Specialised Agencies of the United Nations on a range of topics including their liability and rights in respect of taxation on their pensions.

Members of AAFICS are in receipt of a pension paid by the United Nations Joint Staff Pension Fund (UNJSPF). For tax purposes these pensions are included in the pensioners' assessable income and are taxed at marginal rates. The Australian Taxation Office allows a deduction in respect of the 'Undeducted Purchase Price' of the pension under the provisions of subsection 27H(2) of the Income Tax Assessment Act 1936.

On 15 November 2004, the Coordinator of the Victorian division of AAFICS wrote to the Treasurer regarding the tax rebates currently available to Australian superannuants. In a reply dated January 14, 2005, Philip Gaetjens, Chief of Staff, Office of the Treasurer, equated the situation of persons in receipt of pensions from the UNJSPF to that of former Commonwealth public servants paid from the Commonwealth Superannuation Scheme.

Under the current taxation regime persons in receipt of UN pensions are treated the same way as those of their counterparts receiving pensions from Untaxed Schemes as described in chapter 8.1.2. of the Plan to Simplify and Streamline Superannuation.

It is noted that Chapter 8 of the Plan to Simplify and Streamline Superannuation deals with Untaxed Schemes and makes proposals for changes to the taxation of pensions paid under these schemes.

This submission requests that, to ensure and maintain equity in the taxation of pensions and to ensure that the benefits deriving from proposals of the Government are enjoyed by all retirees and their spouses, the changes proposed in chapter 8 and in particular those described in chapter 8.2.2, be fully applicable to retirees in Australia in receipt of pensions paid by The United Nations Joint Staff Pension Fund.

Should you require further information or explanations regarding this submission, please do not hesitate to contact Tom Joel (Treasurer of AAFICS) by telephone on 02 94888158 or by Email at tjoel@optusnet.com.au, or Mary Johnson (President of AAFICS) by telephone on 02 93625212 or by Email at mary1945@ozemail.com.au.

Yours faithfully,

A handwritten signature in black ink that reads "Mary Johnson". The signature is written in a cursive, flowing style.

Mary Johnson
President of AAFICS -
Australian Association of Former International Civil Servants