

PRESS RELEASE

Please don't take our dividend imputation credits away

SCOA Australia's President, Peter Illidge, today called on Opposition Leader Bill Shorten to reconsider the dividend imputation credits policy announced by Labor last week.

SCOA Australia speak for some 300,000 ex Commonwealth public servants who at average pensions of around \$34,000 could hardly be described as "fat cats".

Peter Illidge said, "yes, they do receive a 10% tax rebate and as a result, pensioners on incomes of around \$40,000 (the vast majority) pay very little tax. But any additional income they may have, for example from shares, is fully taxed, so under Labor's proposal, these pensioners will lose the additional income they receive from franking credits".

To illustrate the impact of this policy, Peter Illidge said if they receive a fully franked dividend of \$1,000 they currently receive a refund from the ATO of franking credits worth \$428. The loss of \$428 is quite significant to low income pensioners. Add to this that due to the inadequate indexation of these Commonwealth pensions over many years, they have not kept pace with the real increase of the cost of living, and many of them are already struggling.

"Most receive a part age pension which of itself would indicate that as a group their financial condition is weak; our defined benefit pensioners, who had no choice in their superannuation arrangements, do not deserve to be targeted in this way", said Peter Illidge.

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