

## GIVE BACK THE OVER 50S CAP

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The Institute of Public Accountants (IPA) is calling on the Government to reinstate the superannuation concessional contribution cap for the over 50's to \$35,000.

“With the Government’s superannuation reforms passed in Parliament in November 2016, the concessional contribution cap was reduced to \$25,000 per annum for all eligible contributors; a position that the IPA does not support,” said IPA chief executive officer, Andrew Conway.

“In particular, we do not support the reduction of the current cap of \$35,000 for individuals over 50 years of age.

“People aged over 50 should be encouraged to make further superannuation contributions especially when they have the capacity to do so to address any superannuation balance shortfall.

“This situation is further exacerbated with the Government’s announcement of the deferral of the proposed catch up measure until 1 July 2018 which effectively means the first catch up will not be available until the 2019/20 financial year.

“The deferral was a budgetary decision to partially offset the cost of reintroducing an annual non-concessional contributions cap.

“The Henry Tax Review recommended a higher contribution cap for Australians aged 50 and over and yet the current cap of \$35,000 is less than a third of what the cap was 10 years ago.

“We need to encourage contributions to superannuation in line with the original intent of superannuation and that is self-funded retirement,’ said Mr Conway.