

# Super changes need fractious Senate support

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📅 12 August 2016 by Jassmyn Goh (<http://www.moneymanagement.com.au/authors/jassmyn-goh>)

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**Getting any superannuation legislation through Parliament will be a challenge as the Government will need the support of the ALP senators, who agree with most of the reforms, other than any retrospective elements, according to IOOF.**

Commenting on the Coalition's win to form Government in the House of Representatives, IOOF national manager for technical services, Kate Anderson, said future direction was less clear on super changes.

"If (and that is a big if), the super reforms make it through the Government's backbench intact, the next step is to get it through the Parliament, and especially the fragmented and fractious new Senate," Anderson said.

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"The Government will probably need the support of the ALP Senators, who agree with most of the super reforms, other than any retrospective elements.

"Other Senate parties are not as close to the Government's position: the Greens want a complex progressive tax on contributions; Nick Xenophon's team want superannuation to be accessible for first home buyers; and Jackie Lambie campaigned for no changes to super at all."

Anderson said while the \$1.6 million cap on pension assets was likely to get through Parliament with ALP support, the retrospective nature of the \$500,000 lifetime cap made it difficult to get through the Parliament easily.

"The ALP has already said it will not support retrospectivity, but so far they have not objected to the lifetime cap itself," she said.

On the proposal to reduce concessional contributions cap of \$25,000 and the ability to carry forward unused cap amounts for up to four years for account balances under \$500,000, Anderson said there was strong opposition to the reduced cap within the Coalition and outside despite general support for the carry forward provisions.

Anderson commended the proposal to remove the work and employment income tests for making contributions to super and claiming tax deductions but said the Government should consult on implementation issues.

She said the Government should also consult widely on implementation details on the 15 per cent tax on investment earnings for transition to retirement (TTR) pensions as it would be likely to pass through Parliament.