

31 July 2019

Senior Advisor  
Individuals Tax Unit  
Individuals and Indirect Tax Division  
The Treasury

Submitted via email to [genuineredundancies@treasury.gov.au](mailto:genuineredundancies@treasury.gov.au)

Dear Sir/Madam,

### **Genuine redundancy and early retirement scheme payments**

We write in response to the consultation on the exposure draft legislation on *Genuine Redundancy and Early Retirement Scheme Payments*. COTA Australia welcomes the change, the need for which is obvious and unarguable, and indeed not to make it would be most unfair and inconsistent and it should have been done earlier. The change does not, however, go far enough.

COTA Australia is the national consumer peak body for older Australians. Through its own networks and those of the State and Territory COTAs (Councils on the Ageing) around Australia we represent more than 1,000 seniors' organisation members - which jointly represent over 500,000 older Australians - and around 40,000 individual members and supporters.

The proposed legislation amends Subdivision 83-C to remove explicit reference to age 65, replacing it with the age at which people qualify for the Age Pension. This change acknowledges that government policy has been that everyone should be entitled to the concessional tax treatment up to the day they reach pension age, and that there is now a gap between the age of eligibility prescribed in the current legislation and the new pension ages prescribed in the Social Security Act.

We point out that for a long time our position has been that restricting this concession to redundancies where the person is below the pension age - when a person is working beyond that age and is genuinely retrenched against their will but is denied the concession - is discriminatory on the basis of age. We have argued this restriction should not apply to such payments when people work beyond pension age, a view shared vociferously by many older people who have experienced such discrimination.

We also point out that the existence of this discriminatory restriction has the effect of discouraging continuing employment beyond pension age, in contradiction to other government policies that seek to support continued workforce participation beyond pension age for those able to do so.

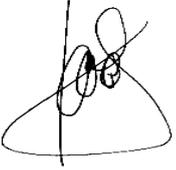
In the meantime, this change is essential, and indeed this legislation should have been introduced earlier since the pension age has already risen beyond 65.

We also note this is not the only piece of legislation requiring adjustment from an age of 65 to a moveable link with the age pension age as it moves from 65 to 67. We are troubled that there has been no commitment to an audit of all federal legislation referencing age 65 and a public assurance that all relevant pieces of legislation will be changed.

Accordingly, we strongly advocate that the Federal Government conduct a comprehensive assessment to ensure that all federal legislation reflects the rising age at which older Australians will qualify for the Age Pension. We will be following this up with the Prime Minister in the near future.

Thank you for the opportunity to contribute to this consultation. Should you wish to discuss this letter further please contact Jill Moran, Senior Policy and Research Officer, via email at [jmoran@cota.org.au](mailto:jmoran@cota.org.au) or via phone 02 6154 9746.

Yours sincerely,

A handwritten signature in black ink, appearing to be 'I. Yates', written over a faint, light-colored signature line.

Ian Yates AM  
**Chief Executive**