



FINANCIAL PLANNING
ASSOCIATION *of* AUSTRALIA

29 July 2019

Senior Advisor
Individuals Tax Unit
Individuals and Indirect Tax Division
Treasury
Langton Cres
Parkes ACT 2600

Email: genuineredundancies@treasury.gov.au

RE: Genuine redundancy and early retirement scheme payments

The Financial Planning Association of Australia¹ (FPA) welcomes the opportunity to provide feedback in response to the Treasury consultation on genuine redundancy and early retirement scheme payments. The FPA supports the proposed inserts for Treasury Laws Amendment (2019 Measures No. 2) Bill 2019, which seek to align access to the tax-free component for genuine redundancy payments with the Age Pension age.

As the Age Pension age increases beyond 65 years, Treasury should take action to ensure that retirees are not disadvantaged by tax treatments that continue to be linked to 65 years of age. In this context, the Treasury should consider where there are other provisions of the *Income Tax Assessment Act 1997* that would be appropriate to review. For example, should a similar amendment be applied to subdivision 82C in relation to the calculation of the invalidity segment of an employment termination payments to ensure it captures payments made after 65 years of age but before the Age Pension age.

The FPA would welcome the opportunity to discuss with the Treasury the issues raised in our submission. If you have any questions, please contact me on ben.marshan@fpa.com.au or on 02 9220 4500.

Yours sincerely

Ben Marshan
Head of Policy and Standards
Financial Planning Association of Australia

¹ The Financial Planning Association (FPA) has more than 14,000 members and affiliates of whom 11,000 are practicing financial planners and 5,720 CFP professionals. The FPA has taken a leadership role in the financial planning profession in Australia and globally:

- Our first "policy pillar" is to act in the public interest at all times.
- In 2009 we announced a remuneration policy banning all commissions and conflicted remuneration on investments and superannuation for our members – years ahead of FOFA.
- We have an independent conduct review panel, Chaired by Graham McDonald, dealing with investigations and complaints against our members for breaches of our professional rules.
- The first financial planning professional body in the world to have a full suite of professional regulations incorporating a set of ethical principles, practice standards and professional conduct rules that explain and underpin professional financial planning practices. This is being exported to 26-member countries and the more than 175,570 CFP practitioners that make up the FPSB globally.
- We have built a curriculum with 18 Australian Universities for degrees in financial planning. Since 1st July 2013 all new members of the FPA have been required to hold, or be working towards, as a minimum, an approved undergraduate degree.
- CFP certification is the pre-eminent certification in financial planning globally. The educational requirements and standards to attain CFP standing are equal to other professional bodies, e.g. CPA Australia.
- We are recognised as a professional body by the Tax Practitioners Board.