

1 August 2019

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

Dear Ms Black

Genuine redundancy and early retirement scheme payments

National Seniors Australia welcomes the changes to the rules governing the tax treatment of genuine redundancy payments.

However, while National Seniors supports the proposed changes as a step in the right direction, we believe it is discriminatory to apply genuine redundancy rules differently based on the age of the employee.

According to the Australian Tax Office - "A genuine redundancy occurs when the employee's job is abolished". If an employee over the Age Pension eligibility age is made redundant because their job has been abolished, then this is a genuine redundancy. Under the proposed rules this is not the case.

It is unfair that an employee made redundant one-day before Age Pension eligibility age is taxed differently from an employee who is made redundant one-day after. Such a system is discriminatory because it treats a person differently based on their age.

While we support aligning of genuine redundancy rules to changes in the pension age as first step, in principle we do not support having ageist legislation.

Yours sincerely



Mr Ian Henschke
Chief Advocate