

Ministerial Correspondence 8/8/24

Mr Doug Watkin
Personal and Small Business Tax Branch.
Ref: MC24-010789

Mr Watkin,

Thank you for your response received 8th August 24 stating the current situation as I believe I summarised in my initial correspondence, you also referred to the couples income received over \$372 will affect their Pension, I believe this refers mainly to investments based on Deeming rates. My concern involves the Work Bonus and the inconsistency in classification of EARNED income through physical work. I am not seeking personal Tax advice and used my own situation as an example to illustrate how many Pensioners may be charged unfounded tax.

Income EARNED over \$300 per fortnight reduces Pension received, Centrelinks inconsistent classification of the income creates an inflated taxable income that it reports to the Tax Department.

Individual Income reported as	Individual
Work Bonus Allowance	Individual
Work Bonus Bank (accrual)	Individual
Pension deducted as	Couple i.e. 25% from each Pension
Reported taxable income	Individual

This results in an artificial inflated Taxable Income of the earner and the 'non-earners' taxable income reduced by that amount. As the non-earner's base income (prior to deduction) would attract minimal tax if any and qualify for tax relief such as SAPTO as you mentioned, the inconsistent classification could inflate the earners income to a higher tax bracket and disqualify them from SAPTO.

This is just another disincentive for Pensioners to return to work albeit as reflected in pre-Covid Working Pensioners participation reduced by some 28,000 to March 2023. The threshold is far too low, the deduction far too high and unjust taxation combine to convince Pensioners to avoid work. Please refer ePetition EN6227 currently presented to the Minister and www.workingpensioner.com

I would appreciate your evaluation and consideration to my argument and not merely state what we all already know. If this government wants to encourage Pensioners to return to work this situation requires immediate review.

I thank you in anticipation.

Yours sincerely

Greg Jarvis
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