



**Tasplan
super**

ABN 14 602 032 302
AFSL 235391

Media Release

Tasplan is Tasmania's largest multi-industry super fund with over 90,000 members, 8000 participating employers and \$500,000,000 of funds under management

Good News for Super in Budget

Tasmania's largest multi-industry super fund has welcomed changes to superannuation announced by Federal Treasurer Peter Costello in his 2004 Budget speech.

The Treasurer announced that the Parliament would be asked to approve an extension to the superannuation co-contribution scheme and a further reduction in the superannuation surcharge as part of the 2004/05 Budget.

Mr. Costello announced proposals to increase the co-contribution to 150 per cent of an employees contribution up to \$1,500 for those on incomes up to \$28,000. Currently those earning incomes above that amount, but less than \$40,000 are eligible for a partial contribution. That limit has also been raised to \$58,000.

"We're delighted that the Government has seen fit to extend and increase the co-contribution arrangement to include middle income earners. It's a very important boost to encourage savings," Tasplan General Manager, Neil Cassidy said.

The government also detailed further measures to reduce the superannuation surcharge for those on higher incomes to 7.5 per cent.

In its 2002/2003 budget the government announced plans to reduce the surcharge tax from 15 per cent to 10.5 per cent, later altered to 12.5 per cent following a compromise with the Democrats. That will now be reduced further at a cost of \$610 million over the next four years.

Mr. Cassidy said the Government should now heed the recommendations of the financial and business sectors and move to reduce the 15 per cent contributions tax which affects a broader range of employees.