



David Littleproud MP

Federal Member for Maranoa

Media statement

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Leave our retirees alone

SQUIRREL away your savings, that's the tip from Maranoa MP David Littleproud if Labor gets its way after it announced an attack on self-funded retirees and pensioners by abolishing tax refunds for share dividends if elected federally.

"Labor's policy abolishes these tax refunds will hit about 8000 taxpayers and their families in Maranoa, including about 1400 pensioners – Labor can't be trusted to manage our economy because when they run out of money, they end up coming for yours," Mr Littleproud said.

Labor announced it will abolish tax refunds for share dividends if elected. This means that if you receive a pension, are on a low-income or have a small self-managed superannuation account, you will no longer get a refund from the Australian Tax Office (ATO) for tax already paid on your shares.

"Labor's double tax on company profits will hit more pensioners, retirees and low-income earners in Maranoa than any other group," Mr Littleproud said.

"Labor's policy hits older Australians particularly hard as more than half of franking credit refunds were paid to those aged older than 65. These Australians have worked hard, taken responsibility and saved for their retirement.

"Tax refunds from share dividends help relieve cost of living pressures for many retirees and people on low incomes. That is why the Coalition Government is committed to keeping tax refunds for franking credits.

"The Coalition stands for fairness, opportunity and security. Our plan is to keep taxes as low as they can be, while guaranteeing the essentials to reduce cost of living pressures for Australians."

Background Information:

At the moment, the ATO refunds the extra franking credits received from shares if your marginal tax rate is less than company tax paid. This is to prevent to the 'double taxation' of company profits.

Labor's \$59 billion tax hit mean one million Australians who will be worse off.

In 2014-15, ATO tax statistics show:

- More than half of franking credit refunds were paid to individuals older than 65.
- 230,000 pensioners will be worse off as a result of these changes.
- 97% of individuals who receive franking credit refunds have income below \$87,000.
- 86% of individuals who receive franking credit refunds have income below \$37,000.
- More than half of all individuals receiving refunded franking credits have taxable income less than the \$18,200 tax free threshold. Labor's policy would extinguish a vital income stream for these low income earners.
- Labor's tax hike will also impact around 40% of all self-managed superannuation funds, impacting 370,000 member accounts and affect retirement savings held in approximately 3.5 million super fund accounts.

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