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26 July 2010

Manager
Superannuation Benefits & Regulation Unit
Personal & Retirement Income Division
The Treasury
Langton Crescent
PARKES ACT 2600

Email: SuperAmendments@treasury.gov.au

Dear Sir/Madam

Submission: Exposure Draft – Terminal Medical Condition Insurance Premiums – Income Tax Deductibility by Funds and Retirement Savings Account Providers

The Association of Superannuation Funds of Australia (“ASFA”) is a non-profit, non-political national organisation whose mission is to protect, promote and advance the interests of Australia's superannuation funds, their trustees and their members. Our members include corporate, public sector, industry and retail superannuation funds plus service providers who provide professional services to SMSFs, account for more than 5.7 million member accounts and over 80% of superannuation savings.

ASFA would like to thank you for the opportunity to provide comments in regard to the above exposure draft regulations enabling superannuation providers to claim a tax deduction with respect to insurance premiums related to the payment of an insurance benefit to a person with a terminal medical condition (TMC).

It is noted that generally, superannuation providers do not seek specific insurance coverage for a TMC event, but rather make an advance payment of a death benefit entitlement on receipt of sufficient documentation evidencing that the member has met a condition of release. The passage of this legislation will relieve the fund of the requirement to obtain an actuarial certificate to determine the proportion of the fund's insurance premium which is attributable to the payment of benefits under the TMC condition of release.

ASFA has consulted with its members on the exposure draft amendments to the Income Tax Assessment Act 1997.

No issues have been raised with the proposed amendments.

If you have any questions in regard to this submission please contact Robert Hodge on (02) 80790806 or rhodge@superannuation.asn.au.

Yours sincerely

A handwritten signature in black ink, appearing to read 'D. Graus', written in a cursive style.

David Graus

General Manager, Policy and Industry Practice