

ATO threatens fines and prosecution for misuse of early super access scheme



The ATO has threatened people misusing the early super access scheme with fines or prosecution. Photo: TND



Euan Black

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Members who took money out of their superannuation without meeting the eligibility requirements could face fines and prosecution, the Australian Taxation Office has warned.

The Coalition's early super access scheme allows eligible members to withdraw \$10,000 in the last three months of this financial year and another \$10,000 in the first three months of next financial year.

THE **NEWDAILY**



cent, or suffered a 20 per cent drop in turnover (sole traders) on or after January 1.

But the bank transactions of 13,000 people who have withdrawn money under the scheme, _____, show nearly half (40 per cent) experienced no drop in income during the coronavirus crisis.

These members were able to withdraw money under the scheme because the ATO is not conducting income checks before approving withdrawals.

The same dataset also showed 64 per cent of money withdrawn via the scheme was spent on discretionary goods – with gambling a close second to debt repayment.

“Instead of learning from the problems with the Robodebt scheme, they’ve just repeated them,” Shadow Assistant Treasurer Stephen Jones told *The New Daily*.

“They have set up a process with no manual oversight.”

Mr Jones has called for a full review of the system and urged the ATO to conduct spot checks and more rigorous data matching.

Treasurer Josh Frydenberg says he is comfortable with how the super scheme is being used.

Treasurer Josh Frydenberg, however, has pushed back against suggestions the scheme is being abused, telling reporters on Monday that “this is their money and they will use that money for a range of purposes”.

“We are going through a once-in-a-century pandemic and people do need that extra funding, that extra financial support over and above other government initiatives to help them get through this period,” Mr Frydenberg said.

“ Now this money is tax free and that’s been an important initiative by the government and it’s been welcomed. So we are comfortable with the fact that people are accessing their money at a time when they need it most.”

As with annual tax returns, the early super access scheme is based on self-assessment.

“This means that information you provide to the ATO is initially accepted as being true and correct when you lodge your tax return and other forms on which you disclose,” an ATO spokesperson told *The New Daily*.

“The self-assessment system places the onus on you to ensure your tax return, or in this case an application for the early release of superannuation, complies with taxation laws.”

The ATO said it has “highly advanced data matching and audit systems in place” to check at a later date if people have purposely misled them.

This involves matching claims made in early release application forms against employer payroll data and other data sets to ensure people’s claims stack up.

“Where we have concerns that a claim is not made genuinely, we will work with individuals to understand how they assessed their eligibility,” the ATO spokesperson said.

“Where we have concerns that individuals have not made genuine applications, we may apply penalties. The penalties that apply vary based on the facts and circumstances of each case.

“ They can range from monetary penalties through to prosecution in exceptional cases.”

The most recent figures from financial regulator APRA show that super funds have so far paid out _____.

Funds have taken an average of 3.3 business days to pay out the claims, and paid 94 per cent of applications within five business days.

***The New Daily* is owned by Industry Super Holdings**

CORRECTION JUNE 4, 2020: A previous version of this article incorrectly stated that the early super access scheme was also open to people who had suffered a 20 per cent drop in income.

In fact, it is open to members who are unemployed, are eligible for certain government payments, had their hours cut by 20 per cent, or suffered a 20 per cent drop in turnover (sole traders) on or after January 1.

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Mr Morrison strengthened his position as preferred prime minister over Labor rival Anthony Albanese. *Photo: AAP/Getty*

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Prime Minister Scott Morrison continues to score record-high approval ratings on the back of his government's handling of the coronavirus and economic downturn, the latest Newspoll shows.

The poll conducted for *The Australian* shows the Coalition preserving its two-party-preferred lead over Labor.

It shows popular support for the Coalition dropping a point to 42 per cent and Labor's primary vote also dropped a point to 34 per cent, delivering the Coalition an unchanged lead of 51-49 based on preferences.

In terms of approval ratings Mr Morrison's satisfaction level remains unchanged at a record high of 66 per cent and his disapproval level has fallen a point to 29 per cent.



The approval ratings are the highest since the early days of Kevin Rudd in 2008. *Photo: AAP*

These are the highest prolonged numbers for a prime minister since the early days of Kevin Rudd's first term in government.

Mr Morrison strengthened his position as preferred prime minister over Labor rival Anthony Albanese, retaining 56 per cent support against 26 per cent for Mr Albanese who dropped three points.

Keeping him just in net positive territory, the Labor leader's approval rating fell three points to 41 per cent against a one-point lift in dissatisfaction to 38 per cent.

The Greens rose two points to a primary vote of 12 per cent while Pauline Hanson's One Nation party lifted a point to 4 per cent.

The Newspoll was conducted between June 3 and June 6, based on 1512 online interviews of voters.

The result comes after a three-week period in which the government revealed a \$60 billion error in its JobKeeper program, the \$721 million Robodebt capitulation and a forecast for the deepest economic contraction since the Great Depression.

The poll has a 2.5 per cent margin of error.

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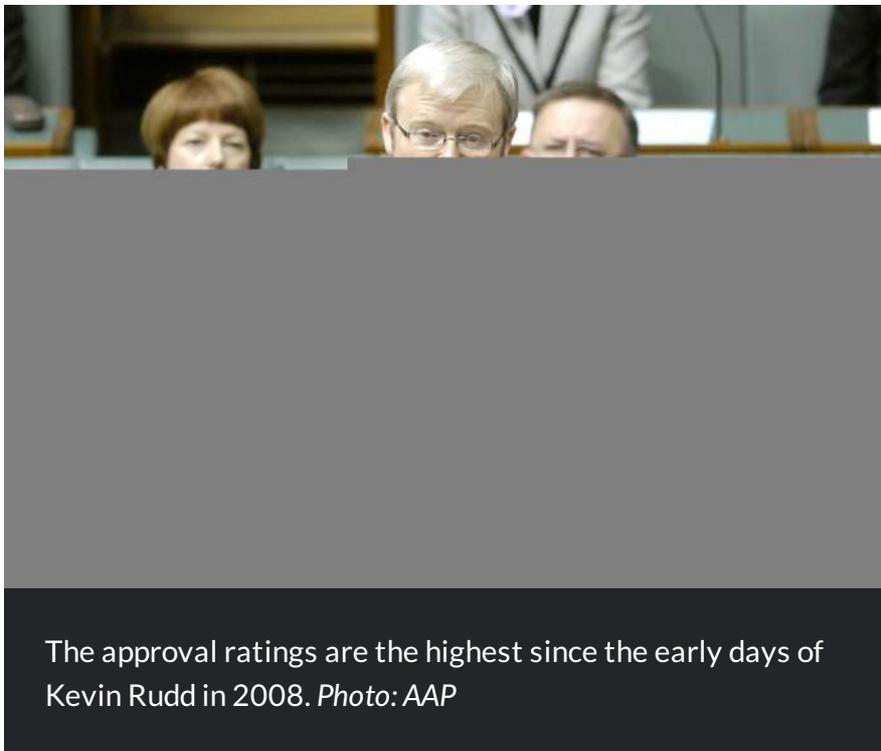


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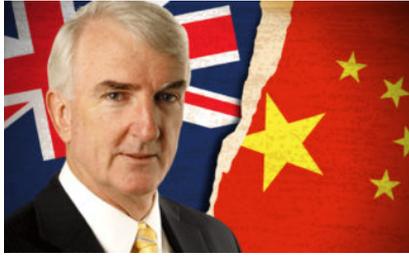
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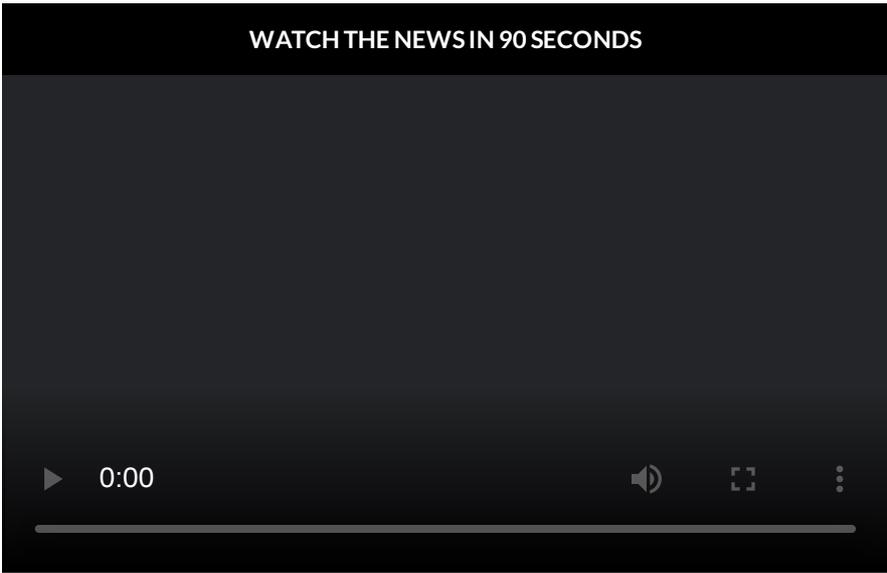
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11:06pm, Jun 7, 2020 Updated: 11:08pm, Jun 7

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Mr Morrison strengthened his position as preferred prime minister over Labor rival Anthony Albanese. Photo: AAP/Getty

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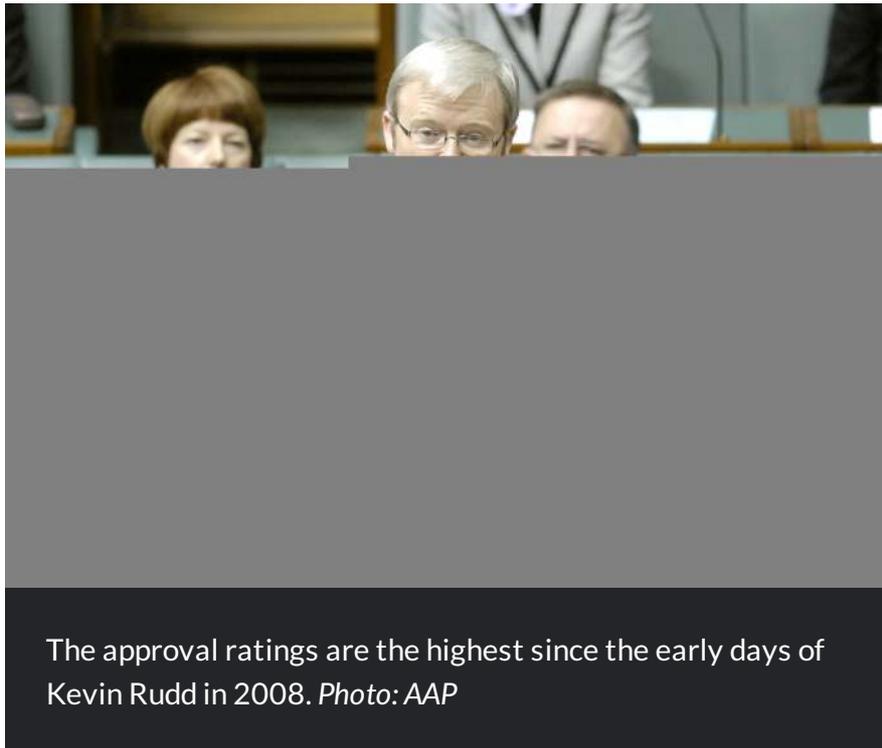


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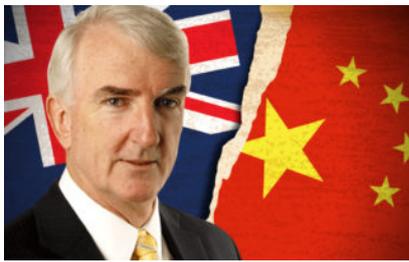
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