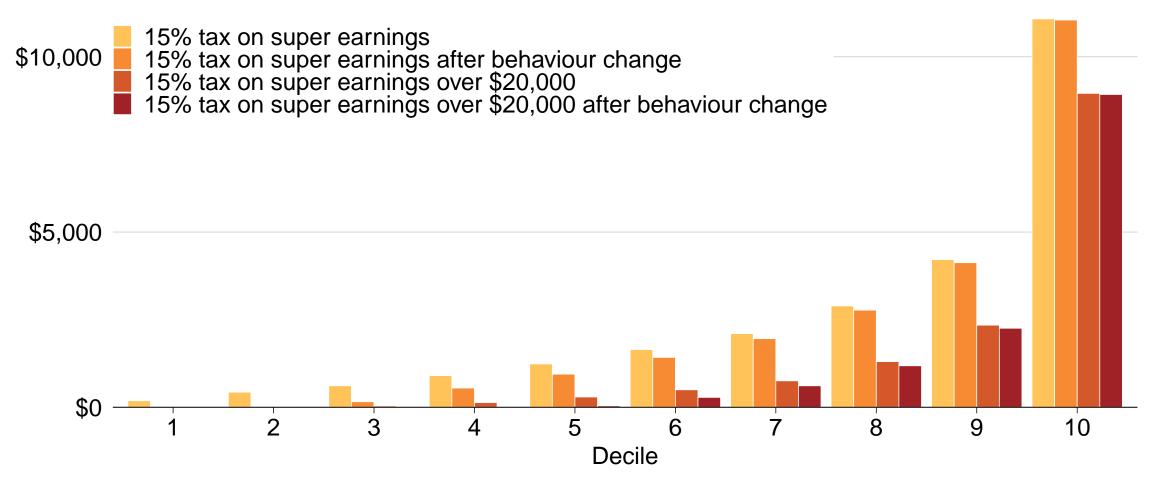
## A tax on earnings in retirement would mostly affect those with higher incomes



Average additional tax paid by 60+ year olds under reform proposals, by total income decile (including super earnings), 2020–21



Note: Earnings estimated as 5% of super balances. Effective earnings tax assumed to be 12.5%. Behavioural response assumed to be that individuals whose taxable income is below either the tax–free threshold or the taxable income at which most people's marginal tax rate exceeds 12.5% would transfer as much super earnings into their taxable income as would reduce their tax. The effective tax–free threshold is the most common taxable income in which people of that age and partner status pay between \$1 and \$100 income tax. The threshold for the 12.5% marginal rate is the minimum taxable income at which the marginal tax rate is greater than 12.5% for that age and partner status. Source: ATO 2017–18 2% sample file.