

Dear Sirs

I would like to make some comments in relation to Retirement Income Review. I am currently 57 and my wife is 56, so planning for our retirement has been important for us for some time. I am a Chartered Accountant and have been working for a public practice for many years.

My comments are as follows:

1. In general, the superannuation system is good, but needs some changes. On the other hand, it is very important how changes are introduced as not to undermine the confidence in the system.
2. There is a bit too much tax relief granted to retirees in comparison to younger taxpayers.
3. The non-payment of super by employers should be a very serious matter. Also, \$450 rules should be abolished.
4. Saving for retirement should be looked at as a work life journey during let's say between 30-60 years of age, so on one hand there should be an option for younger people to take extra income instead of 9.5% being contributed, but on the other older people should be able to contribute much more.
5. There should be stricter rules in relation how much concessional amounts can be accumulated in the super funds as for now it appears the amounts are too high. Super fund should never be used as a method of transferring wealth to next generation.
6. The ability to invest in high risk assets and some other questionable type of assets should be restricted. The saving for retirement should be the only purpose. The high risk investments for members over 55 should be compulsory restricted. There should be an option to choose lower risk options with lower returns, but with government extra protection.
7. After retirement, the ability to withdraw lump sum amounts should be limited and the actual withdrawals taken into account in assessing eligibility for government payments. The starting balance should be taken into account and not just annual amounts. On one hand, it is not fair people who initial spend too much get more government help later one. On the other hand, minimum pension payments should be increased, which would help economy and less funds would be left as part of estates.
8. It is questionable why retirement income is not taxed at all, especially earnings in pension mode, but for sure it should be taken into account for the calculation of tax on other income and eligibility for tax offsets. For example, why someone with \$100,000 super pension and other \$50,000 income should pay the same amount of tax as someone with only \$50,000 other income and no super at all.
9. Value of own house should be taken into account for the purpose of calculating government pension.

Kind regards

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