

SUBMISSION TO THE RETIREMENT INCOME REVIEW 2019-20

I do not wish to waste too much of your time so I will be brief. I am a retired commonwealth public servant living in Qld in my own home. I was born before the baby boomers in 1937 and have been retired from the PS since 1993 since when I have received a small CSS pension.

There are three things which I believe MUST be altered to make the present retirement income system more equitable.

1. The concession brought in by John Howard in 2007, in an attempt to retain his control over parliament, of allowing funds taken from superannuation funds to be free of income tax obligations must be rescinded. This anomaly, more than any other, skews the whole system to assist wealthier individuals avoid their tax obligations. It is abhorrent that income from an old age pension is taxable while income taken out of a superannuation fund regardless of the amount is tax free. I have spoken to many other retired folk and this is a commonly held belief.
2. Private enterprise has to be barred from operating superannuation funds as a profit making business. In my view the SG system should be managed by all contributions going into a single fund managed in a similar manner to the future fund with a government guarantee similar to the one given to banks relating to individual accounts. Such a fund would be managed to ensure a reasonable return (I hesitate to stipulate a figure in this age of such ridiculous interest rates) all of which is plowed back into the fund. There would be NO return to the government.
3. The rate charged as fees by funds other than the central fund mentioned at 2 above should be capped by law and that cap should be the lower of 0.5% or the amount earned by the individual account. Individuals getting bills from their super funds because their amount invested does not earn enough to cover the funds exorbitant charges must be made illegal.

Thank you for your attention.

Yours sincerely

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