

Submission
To
Retirement Income Review

Submitted by:

Alan James White aged 73 Years

Married

My wife and I live in our own home in a country town in Victoria.

My History:

I left school at age 16 years and after one year in civilian employment, joined the Royal Australian Air Force and completed 20.5 years' service in the Permanent Air Force (October 1964 to March 1985) and then transferred upon discharge from the Permanent Air Force to the Royal Australian Air Force Active Reserve and completed a further 26.7 years (March 1985 to December 2011) before age retirement (47 years Military Service).

After discharge from the Permanent Air Force, I worked in a full time capacity as a Licenced Aircraft Maintenance Engineer for approximately one year before joining and completing 23.5 years (October 1986 to March 2009) with the Australian Public Service (Department of Defence).

Reasons for this Submission:

I paid into the Defence Force Retirement and Death Benefit (DFRDB) superannuation system whilst in the Permanent Air Force and currently receive a benefit (pension).

I paid into the Commonwealth Superannuation Scheme (CSS) whilst in the Australian Public Service and currently receive a benefit (pension).

My wife and I have managed our finances and invested in order to supplement the DFRDB and CSS benefits. These investments now reside in our Self -Managed Superannuation Fund, which currently provides a benefit (pension).

I have in working my life, always been employed full time and when available, supplemented that with part time work not related to my full time employment. I have therefore not been a recipient of any unemployment benefits nor been in any other way, a financial burden on Government.

My wife and I have paid all our taxes and are still paying taxes now in our retirement years. We have lived a modest life style in order to plan for a secure future for ourselves and therefore having done what we have for our country and ourselves, **now feel punished because of the eligibility rules associated with the age pension and a soft target for when Government wants to reduce their spending and our benefits.**

My Submissions

Item 1. Under the current Australian Government Aged Pension Scheme, the family home is exempt from the associated Asset Test for the purpose of eligibility for the age pension. **I most strongly believe that situation must remain and be irrespective of the value of the property and irrespective of whether purchased yesterday or forty or more years ago.** We purchased it, paid it off with interest and maintain it all without any Government assistance, so why should it ever be considered an asset that affects eligibility to the age pension.

Item 2. Under the Australian Government Aged Pension Scheme, the family (private) motor vehicle is considered an asset and included in the associated Asset Test for the purpose of eligibility for the age pension. **I most strongly believe and hereby propose that the family car, irrespective of age, size, value or any other criteria, be exempt from the asset test.** We purchased it, paid it off with interest and maintain it all without any Government assistance, so why should it ever be considered an asset that affects eligibility to the age pension. Indeed, the Government benefits from us through the excise on the fuel we purchase. For older Australians, the motor vehicle is not a luxury but an essential means of mobility for thousands of reasons including but not limited to health requirements and personal safety (older Australians cannot always afford a Taxi and are most vulnerable on foot and on public transport). **The family motor vehicle must become exempt from the Asset Test along with the family home.**

Item 3. **Should the Retirement Income Review consider any revision to the taxation laws associated with Self-Managed Superannuation funds, then I most strongly believe and propose that Self-Managed Superannuation Funds also be exempt as an asset from the Australian Government Aged Pension Asset Test for the purpose of eligibility for the age pension.** We paid taxes on the money we earned through our employment and then saved enough to establish a compliant Self-Managed Superannuation Fund through personal endeavour and dedication and not through any Government subsidy, so leave it alone or remove it as an asset that affects eligibility to the age pension.

Item 4. I most strongly believe that **everyone who has worked in this country and paid their taxes for a defined period** (perhaps a criteria of ten years or more) **should, irrespective of their income, assets or any other criteria, be issued with a pensioner concession card upon reaching retirement age.** Those who are not currently eligible for the card will have most likely paid more taxes and done more for the country than those who currently qualify for the card, **incredibly unfair** and implementing this proposal would cost little and may even save Government expenditure by eliminating duplication with such as the Health Card.

Conclusion

There is much more that could be said, but I have chosen to constrain my input to the above four points, which are most relevant to my circumstances and I believe, many others.

As an aged pensioner, the financial crisis Government faces with regards funding the aging Baby Boomer population is not our fault. Government have known about it for years, talked about it for years and have still not planned adequately for it and therefore we should not be punished for their lack of action.

My wife and I have over many years planned and put aside for our retirement and because we have, consider that under the current Age Pension eligibility rules, we are being treated poorly (very poorly), particularly against those who have done less, much less or nothing at all (and who get it all).

This Retirement Income Review must recognise that those who have done the most for this country and planned ahead deserve to be treated better than under the current rules.