



MEDIA RELEASE

Superannuation Fiddle, Again, Will Hurt Baby Boomers

The President of the Association of Independent Retirees (A.I.R.) Limited, Theresa Kot, has expressed concern that baby boomers will be further affected by Government changes to superannuation.

Ms Kot said that superannuation is the preferred retirement saving vehicle for baby boomers and many self-funded retirees, with taxation incentives to encourage savers.

“In the last Federal Budget, several thresholds were lowered for workers contributing to superannuation,” Ms Kot said.

“This action was difficult to comprehend, particularly at a time when superannuation funds were losing value.”

Ms Kot said that baby boomers comprise a large group in the workforce who are approaching an age when they may consider retirement. They now face a halving of the threshold on transition-to-retirement contributions.

“The Government expounds the virtues of the savings to be achieved, with the reduced contributions to superannuation, ignoring the fact that baby boomers do not have a long or extensive remaining working life to replenish their retirement savings. Many are ageing, and their job prospects are not improving with older age.”

“It is another example of the Government fiddling with superannuation rules for no apparent gain,” Ms Kot said.

She noted that at the other extreme, for low-income earners, whilst the qualifying threshold has been increased, slightly, allowing more workers to qualify for the Government’s co-contribution, the Government has again fiddled the figures for the potential savings. The Government co-contribution has been reduced by one-third to \$1000.

“At a time when superannuation funds are shrinking, financial advisors are advising salary sacrificing and contributing as much as possible, the Government has brought in changes to lower contributions from workers, and the sole aim is to achieve savings for the Budget after the massive spending on the stimulus packages,” Ms Kot said. “

“Obviously it doesn’t matter about the future needs of baby boomers in retirement,” she said.

For further information, contact Theresa Kot on 0406 204 435.

Website: www.independentretirees.com

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