

## Media Release

### **RETIREES WHO SAVED FOR THEIR RETIREMENT OVERLOOKED BY THE GOVERNMENT**

“Self-funded retirees have been overlooked in the initiatives announced by Government to support business, workers and social security recipients to cope with the impact of the Coronavirus pandemic”, said Mr Wayne Strandquist, President of the Association of Independent Retirees.

“Self-funded retirees who do not receive a pension or part pension or the Commonwealth Seniors Health Card are suffering financial hardship due to the impact of the COVID-19 crisis with little or no support from the Government,” said Mr Strandquist.

“With the introduction of compulsory superannuation, the intent of the Government was to encourage more Australians to fund their own retirement and reduce reliance on the age pension,” said Mr Strandquist. “This has meant that self-funded retirees must bear the full investment risks of their retirement savings in the share market, property and fixed interest instead of having an age pension funded by the Government with no risk attached.”

Mr Strandquist said “The Coronavirus pandemic has had a serious financial impact on self-funded retirees in the following ways:

- the dramatic falls in the stock market have reduced the balances of most superannuation funds by up to 20 per cent with younger retirees (60-75 years of age) having their retirement income streams reduced by up to 10 years,
- the drawdown of share investment capital will result in lower returns and potential capital losses,
- lower or no company dividends can be expected such as already announced by leading share investments such as the Banks,
- investments made in companies that operate in the hospitality and tourist industries are at serious risk of not being recovered,
- reduced rental property income as many tenants have been stood down from work,

- the RBA cash rate has resulted in the fixed interest and bank interest rates being close to nil.”

“All of this means that many self-funded retirees with assets above the age pension threshold are now receiving less income than the full age pension and do not qualify for the Commonwealth Seniors Health Card and the \$750 income supplement,” said Mr Strandquist.

***For further information or for Media Comments please contact:***

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