

Media Release

RETIREEES WELCOME EXTENSION OF TEMPORARY SUPERANNUATION DRAWDOWN RELIEF

“The announcement by the Government to extend the temporary halving of the minimum superannuation drawdown amount is welcomed by retirees,” said Mr. Wayne Strandquist, President of the Association of Independent Retirees.

“In times of financial crisis or market volatility that we have seen with the GFC or the COVID-19 pandemic, retirees need greater flexibility in the minimum amount they are required to draw down from their superannuation, said Mr. Wayne Strandquist.

“If retirees are forced to withdraw money from superannuation when the capital value of superannuation accounts are depressed or when the returns being generated are low, it will have long term impacts on how long their superannuation will last,” Mr. Strandquist explained.

“The 50 percent reduction in the minimum age-based drawdown percentages for superannuation income streams for the past two years was welcomed by retirees, as is the extension of the temporary reduction for a third year 2021-22,” said Mr. Strandquist.

“The Association of Independent Retirees has advocated for some years to Government that the minimum withdrawal percentages from superannuation in retirement should be permanently lowered for retirees who are 75 years and older,” said Mr. Strandquist

“The time spent in retirement is now considerably longer than when the compulsory superannuation system was established. In addition to this longevity risk, investment risk also increases over time with more periods of volatility in the value of retirement savings and retirement income,” Mr. Strandquist added.

“So, rather than a temporary arrangement, retirees need a permanent reduction to minimum super drawdowns so they have the flexibility to deal with whatever comes along as well as preserving funds for out-of-pocket health and age care expenses in later life,” recommended Mr. Strandquist.

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