

20 July 2007



To: Fax (02) 62 77 3515

Senate Standing Committee  
on Community Affairs  
P. O. Box 6100  
Parliament House  
Canberra ACT 2600

Dear Chair and Members

Re: COST OF LIVING PRESSURES ON OLDER AUSTRALIANS

I would be grateful if you would consider the needs of persons who have been retired for ill-health or similar involuntary reasons before the age of 60 years.

I live on a retirement income. Yet I am not entitled to the benefits and concessions available to older Australians. I had a productive working life. I now receive a superannuation pension because I was retired on grounds of ill health. My retirement was involuntary and followed a serious illness. I cannot work but I have all the continuing expenses of keeping a family home.

#### **Need to be entitled to General Benefits**

There are many state [e.g. energy and transport concessions] and federal benefits which are targeted at helping retired persons. However I do not qualify for these benefits simply because I am aged in my 50's. That seems arbitrary and unfair. That penalises me and my children. Further that denies me relief at the very time when I am facing substantial household costs which are not offset by concessions or benefits that are available to older persons who are retired.

I look to the Commonwealth to establish a framework whereby persons who have been involuntarily retired on health grounds can become entitled to such General Benefits

#### **Need to be Entitled to Superannuation Tax Benefits before Age 60 Years**

During my productive working life, I paid tax on my superannuation contributions and my fund has paid tax on earnings. From 2007, no tax is payable on superannuation benefits paid from age 60 (either as a lump sum or as a pension) where tax was previously paid on contributions and earnings.

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Yet I am not eligible for tax concessions available to other retired persons. I do not qualify for this tax relief simply because I am aged in my 50's. This, too, is arbitrary and unfair and penalises me and my children.

I would be grateful if you would recommend that I and others in my situation will be relieved of paying tax on our superannuation benefits from 1 July 2008.

**Other factors**

1. I do not seek generosity. I am a self-funded retiree and I have paid my dues.
2. I am not seeking an easy way out. Rigorous testing is performed by qualified practitioners before one is retired involuntarily on health grounds.
3. Better support will pay dividends. Those forced to retire early do generally seek to re-integrate as best they can. Re-integrated people are more competent and capable and are not inclined to be 'needy'.
4. The numbers of involuntary retirees is small. The country can afford to extend benefits and concessions to us.

Please do not hesitate to contact me if I can provide further information.

Yours sincerely,

**Roscoe Howell**