

## Effect of the Taper Rate Change on Existing Part Age Pensioner Couples

### Assumptions

1. CPI is 2.5 %, MTAWA is 4.0%
2. At 20/9/2009 every age pension couple gets what they would have got without reform plus the reform increase of approx \$10 per week or \$520 p.a.
3. After 20/9/2009 all those couples with entitlements that are greater than those calculated using the new taper rate have the amount they are receiving indexed to the CPI and without any account being taken of the change in income threshold.
4. Private income is indexed to CPI

Private Income (\$p.a.)	Years before people are forced onto the new taper rate	Improvement (Detriment) from the taper rate change for increasing years elapsed after 20/9/2009				
		Years elapsed after 20/9/2009				
		1	4	6	8	10
20000	5	527	(673)	(892)	(917)	(942)
30000	7	527	(673)	(1608)	(2106)	(2191)
40000	10	527	(673)	(1608)	(2665)	(3440)
50000	12	527	(673)	(1608)	(2665)	(3854)
50000	13	527	(673)	(1608)	(2665)	(3854)

### Comments:

1. the improvement of \$527 p.a. every couple will receive in the first year after 20/9/2009 will have changed to a detriment of \$673 p.a. by the fourth year after 20/9/2009.
2. as private income gets larger the longer it takes for a person to be forced onto the new taper rate and the greater is the detriment they experience from that point on.

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