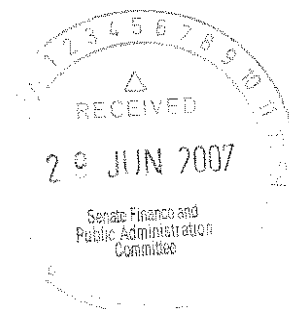


29 June 2007

To: Fax (02) 62 77 5809

Sen. M. Fifield, Chairman  
Senate Standing Committee  
on Finance and Public Administration  
P. O. Box 6100  
Parliament House  
Canberra ACT 2600



Dear Chair and Members

Re: SUPERANNUATION LEGISLATION AMENDMENT BILL

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 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.

### Attitude of Treasury

I would also be grateful if you would allow me to challenge the views attributed to the otherwise creditable Dr. Ken Henry, viz. *That we should take a hard line against being generous to vulnerable persons, lest they become more 'needy' or exploit government benefits.* I say that Treasury's blame game is unnecessary and unwarranted.

1. I do not seek generosity. I am a self-funded retiree and I have paid my dues.
2. Treasury does not seem to appreciate the extent of rigorous testing performed by qualified practitioners before one is retired on health grounds. A hard line has already been taken. Further strictures from Treasury are uninformed and superfluous.
3. Treasury does not seem to understand that 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'. Better support will pay dividends.
4. I believe that [in relation to other superannuation amendments considered by the Senate Economics Legislation Committee during January 2007] Treasury ran what seemed to be a scare campaign. As I understand it, some in Treasury told Senators that granting access to tax free benefits to involuntary retirees before age 60 would open the financial floodgates and drain Commonwealth resources. The scare campaign was and is still unwarranted. The numbers of involuntary retirees is small. Further, Treasury could limit the Commonwealth's exposure by thinking creatively: for example give involuntary retirees the option of taking *either Carers Benefit or superannuation tax benefits, but not both.*

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

Yours sincerely,

**Roscoe Howell**

