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22 Jan 01

The Secretary
The Benefit Design of Commonwealth Public Sector
and Defence Force Unfunded Superannuation Funds and Schemes
- SUBMISSION.

The superannuation of public servants
is CPI indexed.

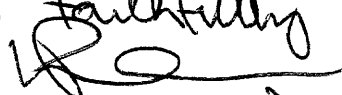
The rationale for indexing pensions must
be to retain their value.

As pensions are in fact wage related,
being based on an employee's wage whilst
working, one would expect any indexation
to maintain that relative wage percentage.
Thus if one retired on 50% of a
particular public servant's wage, then
one would expect to continue to
get that % of a public servant's wage.
The % should not be diluted by being
linked to some other factor.

The fact that pensions are currently
linked to the CPI and not to a wage
indexation has led to a significant reduction
in the value of the pension relative to wages.

If the CPI was a valid base to
index pensions then politicians Super would
be indexed on this basis. In fact politicians

Super is indexed on a wage base. I suggest therefore a change is needed to the way public servants super is indexed.

Yours faithfully

(R. REICHELTI)

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PS. Note I am a former public servant & held the following qualifications; -

BA, BSO&Sc, AASA, ACIS, ACIM.