

Superannuation:

I am writing in because I think we should think about what we are trying to achieve from superannuation. What it should be about is encouraging people to be self sufficient over the age of 65, or when they "retire".

My question is this: Once a person is over 65 and legitimately retired why should there be special treatment for "superannuation" products which are designed to run out eventually, and other investments?

If I have (say) \$250,000 in an account based superannuation product I pay minimal tax on my income. But it could run out by the time I reach 90 /95 depending on how much I draw down.

If however, I put \$250,000 into various investments, maybe rental property, managed funds, etc I pay a different rate of tax. Yet the funds don't run out and I can maintain myself for much longer.

With the way medicine is progressing it is highly likely that many more people will be living well into their 90's. So it is important to ensure they are as self sufficient as possible.

So why not have 1 taxation regime for everyone over 65 (or 67?) on their income, whether it's investments from superannuation, managed funds, rental, or even government (ex APS employees) indexed pensions. Surely the intent should be to encourage and maintain an independent retiree group.

Also, it should be easy to collect and administer. As people get older, they shouldn't be having to run to accountants and tax agents to find ways of securing their income.

Lets try to keep it simple.

Also: if someone is saving for long term financial security, does it really matter whether it is superannuation or other forms of investment? Could we look at some form of tax credits for people who retire who have built up their investments. Perhaps people can "accrue" 15% tax credits p.a. which can only be claimed at the age of 65 under certain conditions or for certain types of investment situations. I can't see why people have to pay for expensive accounting advice just to set themselves up for retirement.

Lets keep it simple and minimise the bureacratic process!!!

Thankyou for your time.

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