

[removed for privacy reasons]

PENSION REVIEW SUBMISSION  
SUBJECT: STRUCTURE OF AND ELIGIBILITY REQUIREMENTS FOR THE UTILITIES  
AND TELEPHONE ALLOWANCES FOR PENSIONERS

Please note; in order to keep this paper as brief and concise as possible, taxpayers are assumed to be male, and spouses female. It is recognised that the reverse can be the case.

The above allowances have been in place for some time; the intention was to give some extra money to retirees and pensioners, but they are not structured appropriately for all pensioners, and as a consequence, the benefits are not shared equally by them. The allowances are fine for single pensioners and couples who are the same age, or nearly so. If, however, the pensioner is older than his spouse, as is nearly always the case, he and his wife will be severely disadvantaged until she reaches pensionable age. The reason why they will be disadvantaged is that both members of a couple must have reached pensionable age before they can receive the full amount, yet a single pensioner gets it even though he or she does not have a partner to support. What the Government is ignoring is the amount of financial loss which the couple will incur every year that they are unable to claim the full allowances, which have recently been increased, making the effect of the anomaly worse. The Utilities Allowance is now \$125 a quarter for singles or \$62.50 for each eligible member of a couple, and the Telephone Allowance has been increased to \$33 or \$16.50 respectively if an account with a home Internet Service Provider is held. This means that the couple will have to endure a considerable financial loss until the non-eligible partner attains pensionable age.

In most marriages and de facto relationships the man is older than the woman; usually by only one or two years, but it is not unusual for the man to be 10 to 12 years older, or even up to 20 years older in some cases. Another factor which is contributing to the problem is the gradual raising of the pensionable age for women. As she grows older the goal posts are shifted, and her transition to age pensioner is delayed. In the case of a man who is 13 years younger than his wife, as I am, he will be 78 before she is eligible and they qualify jointly for the full Allowances. This represents a total loss of \$4108;  $62.50 + \$16.50 = \$79 \times 4 = \$316$  (for a year)  $\times 13$ .

Pensioners have always been aware of the anomalies connected with these payments, and resented them, but it was brought home to them more forcibly in February last year when they were increased. With the increase in the payments has come an increase in the injustice which was inherent in the structure of the allowances. Pensioners whose partners are not pensioners will only get half of what they would have got if they had been single! There is no logic or justice in this at all.

Pensioners and part pensioners and their partners have already passed a stringent Asset and Income test, or they would not be pensioners. Therefore let the rules stand in the cases of singles, and couples who both qualify for a pension, but in the case of couples in which only one of them qualifies, let he or she be granted the full allowance to bring that person into line with singles. When the other partner becomes old enough to attain pensioner status, let them have half the allowance each, to bring them into line with existing pensioner couples.

Recommendation:

That the Utilities and Telephone Allowances for singles, and couples who are both eligible remain the same. The eligible member of a couple whose partner is not eligible should be granted the full allowances to bring him or her into line with an eligible single.

Yours faithfully,

James Kay Reddyhough

[removed for privacy reasons]