

I'm writing to express some views on the review of the Retirement Income System. I am a client of Dixon Advisory who I pay as administrator for my SMSF.

Generally I have concerns that there are too many big players putting up their arguments in an attempt to stop SMSF retirees from having an option of running their own funds. These corporate sized superannuation funds' interests ought not be allowed to squash the interests of those who don't use their services. Perhaps what should happen is that those fund managers look at why people don't invest with them.

**1. Tax arrangements** - if the intention of superannuation is to encourage people to save for their own retirement then the current tax arrangements at age 60 should remain in place. If people are being encouraged to lock funds away until they are 60, with almost no access to those funds, and with no expectation of being a burden to the government for social security funded pensions then this tax "break" at 60 on their self funded retirement is an incentive.

If there is concern for higher income earners avoiding tax then the current restrictions on amounts allowable for payment into superannuation and therefore claim in any one year are probably sufficient.

**2. Reducing costs and complexity -**

One of the major costs to any person investing superannuation funds is that of paying percentages to funds or administrators to become a client. The initial 1 or 2 percent of the total is taken as a fee even before any proof of investment work has been done or will successfully be delivered. I don't pay for a doctor to tell me he'll fix me up and then have faith. He/she performs a service and is then paid.

I think a reasonable flat fee to show intention to become a client and then a percentage for each year after that (based on performance) would be far more equitable and would possibly stop so many retirees losing their "nest eggs". And if they don't perform then they don't get any extra.

Also having studied the guide for SMSF trustees it might be worthwhile for someone who actually has to use it to look through it and provide feedback to the authors prior to its introduction. Having worked in writing documentation I know it is very easy to understand material when it's your own topic of interest. However any material produced to supposedly educate SMSF trustees should be more easily readable than it is ie written in layman's terms. Perhaps draft versions of material could be tested on a selection on the general public - not public servants. Also any training material doesn't need to look like a major production - they are supposed to be factual not flashy publications.

As to running courses.... the cost of this exercise is mind boggling and the logistics incredibly difficult. I, like others, am a rural SMSF trustee and currently have enough other rural disadvantage issues to deal with without adding to the list by not getting convenient access to training courses for this. And how often would superannuation rules change thereby necessitating attendance more than once, twice???

Each individual should be responsible for their decision to set up an SMSF and should therefore also be prepared to take responsibility for any non compliance issues they have. If they aren't sure then they should ask before they sign up.

Hoping this adds to the discussion  
Karen Tanswell