

A Fair Retirement Income System

Dear

I'm a voter in your electorate and I'm writing to let you know that a key issue for me in the federal election is how Australia treats older Australians. I'm one of them and I will vote for the candidate who best enables me and other seniors to be financially independent and supported in retirement.

I'm also a member of National Seniors Australia. Through its advocacy and research, National Seniors fights to improve the lives of older Australians; older Australians just like me.

In this election, National Seniors is advocating for policies that reduce pension poverty, improve aged care, maintain fairness in retirement income, reduce energy and health costs, improve Centrelink and stop elder abuse.

Personally, I want older Australians to have a fair retirement income system.

The retirement income system should promote and reward saving as a public good while offering an adequate safety net for those who are less fortunate.

As someone who will vote for candidates who support a fair retirement income system, I am asking you to make a commitment to champion the following recommendations from National Seniors.

Retain access to franking credit refunds for all retirees.

Self-funded retirees are tired of being targeted as a source of revenue by government. Not all self-funded retirees are wealthy. Many have become self-funded by working hard and within the rules but are regularly forced to restructure their investments time and again because the rules keep changing.

All candidates should reject the proposal to strip self-funded retirees of franking credit refunds without due consideration of the fairness of this change. What concerns self-funded retirees most about this proposal is that some self-funded retirees will be worse off than those who receive the pension.

Reduce the asset test taper rate from \$3.00 to \$2.00.

Retirees should not be unfairly penalised for saving for their retirement. In 2017, around 90,000 part-pensioners lost access to the pension through changes to the asset test and taper rate. Retirees close to the cut off for the pension are now paying a wealth tax because their assets are not able to earn as much as what they lose in the pension.

Reducing the taper rate will make it more attractive for people to save more for their retirement. While it will increase the number of people eligible for a part pension, it will improve the capacity of retirees to sustain higher incomes for longer, taking pressure off government spending in the long term.

Exempt up to \$250,000 of home sale proceeds from the Age Pension means test.

Pensioners with limited income in retirement should be able to boost their income by downsizing their home. Many want to downsize but the impact on their pension, combined with the cost of stamp duty and moving creates a major financial barrier. Many people would benefit from downsizing because they currently live in housing that is inappropriate for their needs and is difficult and expensive to maintain as they age.

Exempting a portion of sale proceeds from downsizing will unlock large sums of wealth tied up in the family home, increase retirement incomes, boost the construction of new housing, free up older stock and improve the health and wellbeing of older people. Excess funds could be deposited into a superannuation account where it could be used to boost income or be drawn on as a lump sum to pay for age-friendly home modifications, health and aged care costs, and the installation of solar (or other beneficial home modifications, services and activities).

I believe these initiatives will improve self-sufficiency and wellbeing of older Australians. I will vote for candidates who support these initiatives.

I appreciate your time in reading this letter and welcome your reply.

Yours sincerely