

## **FOR THE PENSION TO WORK – LET PENSIONERS WORK**

**19 February 2020**

The Retirement Income Review should consider a simpler and more flexible system which allows pensioners to work without being punished, according to National Seniors Australia, the peak consumer organisation representing older Australians.

National Seniors has suggested this reform be examined as part of its submission to the Review.

Chief Advocate Ian Henschke says the Review's Panel should look at other pension and retirement income systems and import ways to make the Australian system simpler and more flexible.

"There are too many perverse disincentives built into our retirement income system," he said.

"We should be looking at Canada and New Zealand which both let pensioners work without penalising them by cutting their pension.

"Pensioners are simply taxed on their earnings instead of losing their pension after earning a certain amount."

National Seniors says government should recognise that income from working is one of the pillars of the retirement income system, especially for those that have not accumulated adequate savings or superannuation.

Ultimately, the retirement income system should be encouraging Australians to be more self-sufficient in retirement.

"Pension rules create sweet spots which discourage people from saving more out of fear of having their pension reduced or disappear," Mr Henschke said.

"The current assets test taper rate, which was unfairly increased in 2017, sees a couple with \$400,000 potentially earning \$1,000 a month more than a couple with \$800,000 in savings."

In its submission, National Seniors also raised the interrelation between the 'pillars' of the retirement income system; superannuation, the Age Pension and declining rates of home ownership.

**-ENDS-**

**Mr Henschke is available for comment**

**For media enquiries, contact National Seniors Australia**