

NATIONAL SENIORS WELCOMES NEW FINANCIAL MEASURES

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National Seniors Australia welcomes the federal government's second stimulus package, which includes a further cut to deeming rates, the doubling of Newstart and halving of the minimum drawdown rate for superannuants.

The country's peak consumer body for older Australians acknowledges seniors are being looked after during these extraordinary times.

National Seniors Chief Advocate Ian Henschke says today's announcement helps meet the rapidly changing financial challenges of older Australians.

"The cut to deeming rates and drawdowns were necessary to assist older Australians whether they invested cash in a bank or in the share market which has lost a third of its value since this crisis began," Mr Henschke said.

"We also urge the Government to reduce the rate of the Pension Loans Scheme. The rate is 4.5% and far too high, as it's a way home owning pensioners and seniors of pension age can access up to 1.5 times the pension.

"There seems to have been an oversight here and it needs to be lowered to a realistic rate reflecting the record low rates and we hope this is addressed soon."

National Seniors also welcomes the doubling of Newstart during this crisis, especially as the largest age group receiving the allowance is the over 55s.

"Even before this crisis began, older Australians have been doing it tough with vast numbers unable to get work and they have had to eat into their savings and super as they headed to the pension age. Many end up retiring with little or nothing at all," Mr Henschke said.

National Seniors is pleased with the government changes to the drawdown rate for superannuants and also the widening of emergency access to superannuation.

Along with the SMSFA it had recently written to the Treasurer calling for a change to the drawdown rules due to the sudden collapse in the share market, sparked by the reaction to COVID-19.

"This change was necessary to see us through the Global Financial Crisis and is desperately needed again now," said Mr Henschke.

"The drawdown rate starts at 4% and rises with age requiring superannuants to draw down more and more of their money. The rate is calculated on the superannuation fund balance at the beginning of the financial year and now does not reflect the current turmoil in financial markets. Halving the rates is very welcome.

“We also welcome the added announcement of a further \$750 in July for pensioners and other concession card holders. “

ENDS

Mr Henschke is available for comment, call 0488 047 380