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Sent: Thursday, 10 August 2006 6:19 PM
To: Simpler Super
Subject: Publication of submission

I submitted a proposal to the simpler super and cannot find it listed yet. I agree to it being published. In case it has been lost I enclose another copy.

I work with Centrelink's Financial Information Service and talk to a lot of retirees and planners.

Suggestion

Allow anyone under 75 to contribute to super.

Rationale

Many retirees do not know the benefits of investing in super and often have financial assets out of the super system.

Many of these are people who when they retired/retrrenched were given forms by their employer to advise the super company what to do with the super. Often they just fill in withdraw the money and pay me the cash so I can deposit it in a term deposit.

With the changes to super it means they could have received a tax free income but now will receive taxable income. This is unfair for the people with limited financial knowledge. The government has acknowledged this problem and have established the Financial Literacy Foundation.

There is also a disadvantage to their age pension. With \$200,000 in an allocated pension drawing the minimum they would receive maximum pension. With \$200,000 in a term deposit subject to deeming they would lose \$21.51 per fortnight each. If deeming rates increase this would be even greater.

Often the first time they are aware of this is after the age pension is granted and by then a man is definitely too old and most wives are also over 65.

It seems only fair and just to allow people in these circumstances to recontribute to super.

Another reason to support this is that the connection between working and contributing to super appears to have been broken a few years ago when the work test was removed for people under 65. Smart people over 65 can still contribute to super if they follow the advice of many financial planners and say they are gainfully employed "baby sitting" or "managing the office" or even doing a weeks work filing for the planner.

Another reason is that many older people own investment properties they were planning to sell at about retirement. If they can contribute to super until 75 this would give them the opportunity to sell and invest all the proceeds into super and not be restricted by the new limits.

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