



MEDIA RELEASE

Budget Initiatives Needed to Help Retirees Remain Independent

In its 2016-17 Pre-Budget Submission to Government, the Association of Independent Retirees (A.I.R) has made several recommendations to support self-funded retirees, including implementation of a temporary reduction in the minimum percentage drawdown rates by 50% for account based pensions.

A.I.R. Executive Officer, Sue Hart, said self-funded retirees have been hit particularly hard by the poor return from the local and global markets over the past three years, the very low interest rate on cash deposits and the significant drop in the market since the beginning of 2016. A similar drawdown measure was implemented to mitigate the impact of the GFC on self-funded retirees some years ago.

“There are now more than 1.9 million Australians aged 65 years and over who either in part or fully self-fund their retirement. The greater majority of these are not “wealthy” individuals as many seem to infer. Yes, there are high wealth retirees who do not need support in their retirement but it should be understood that these represent an extremely small percentage of retirees in Australia who are self-funding their retirement.”

Ms Hart said the ability of self-funded retirees to continue to contribute to the economy, to maintain their living standard and necessary retirement income stream depends on a vibrant Australian economy that provides a real interest rate return to investors and embraces a strong, confident business sector with reliable returns, and there is significant concern with the substantial drop in both business confidence and the Australian/global sharemarkets over the past six months.

“We hope that these issues will be considered in the Budget process and in the soon to be released green discussion paper on proposed reforms to taxation and sustainable retirement incomes. It is important that the Government takes a holistic approach to reform of taxation and superannuation policy.

“A.I.R. remains committed to work with the Government on these reform proposals but will strongly oppose any change to GST without adequate compensation and any superannuation, welfare and pension arrangements that will negatively impact on retirees,” Ms Hart said.

“These proposed reforms must not disadvantage current retirees and those soon to retire. Future changes must include grandfathering and transitional provisions to protect those retirees whose retirement income is based on the current rules.”

Read A.I.R.'s 2016-17 Pre-Budget Submission [here](#) or visit www.independentretirees.com

For further information, contact Sue Hart on 02 6290 2599.

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The Association of Independent Retirees (A.I.R.) Ltd is a member-driven national, not for profit, non-political organisation which works to advance and protect the interests and independent lifestyle of Australians in retirement. A.I.R. seeks to secure recognition and equity for Australians who, through their diligence and careful management, fully or partly self-fund their own retirement needs.