

2 May 2014

## Government announcement to raise Age Pension eligibility age is not the answer

The Australian Institute of Superannuation Trustees (AIST) is pleased that today's Government announcement will not have an impact on people approaching retirement but is concerned this is an ad hoc decision on retirement incomes policy.

AIST CEO Mr Tom Garcia said raising the Age Pension eligibility age should have been part of a discussion with the Australian community about retirement objectives.

"We acknowledge the need to ensure our system is sustainable in the long term, but this is not the way to implement such an important change," said Mr Garcia.

"Ensuring the long term sustainability of the retirement system is important, but it is essential that meeting the needs of retirees is a priority for Government," said Mr Garcia.

Mr Garcia said that the debate must consider the purpose of superannuation and the Age Pension including gender issues, caring demands, health, aged care and home ownership.

Mr Garcia also said we must not forget the Australians for whom retirement is involuntary.

"We cannot ignore the reality that older people do face a multitude of difficulties to stay in the workforce," said Mr Garcia.

Research conducted by AIST and Australian Centre for Financial Studies earlier in the year showed that up to 40 per of Australians don't get to choose when they retire.

"A number of often unforeseen factors can lead to involuntary retirement – including age discrimination, job type, poor English proficiency and caring demands – it's not just limited to health," said Mr Garcia.

"Policies are meant to improve people's lives so any changes affecting access or eligibility to the Age Pension or superannuation shouldn't be about punishing disadvantaged and vulnerable Australians."

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***AIST is the peak industry body for the \$600 billion not-for-profit super sector which includes industry, corporate and public sector funds covering the super interests of nearly two-thirds of the Australian workforce.***