

### Involuntary retirees should not be denied early access to their super

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Raising the age at which people can access their super could see the level of involuntary retirees blow out to more than half the Australian workforce, **the Australian Institute of Superannuation Trustees (AIST)** said today.

Commenting on key recommendations in the Productivity Commission report into retirement policy released today, **AIST CEO Tom Garcia** said more work needed to be done to address involuntary retirement among older, vulnerable Australians before any changes were made to super preservation age levels (which currently range from 55 to 60 years).

“The Productivity Commission itself acknowledges that changing the preservation age won’t help those who currently retire involuntarily and will lead to only a marginal 2 per cent increase in the overall workforce participation rate,” Mr Garcia said. “We question the benefit of such a policy change that will only make it harder for a significant number of vulnerable older Australians to access their own super savings.”

Research conducted by the **Australian Centre for Financial Studies and AIST in 2014** found that up to 40% of older Australians currently do not get to choose when they retire due to a range of factors, notably age discrimination, ill health, poor English proficiency and caring demands.

“Our retirement income policies need to recognise that many individuals will have a different work pattern and may not necessarily be in a position to choose their own retirement age,” Mr Garcia said. “Maintaining the preservation age for those who retired involuntarily could play an important role in funding the period between when involuntary retirement occurs and the Age Pension is available.”

Mr Garcia welcomed the Productivity Commission’s acknowledgment that further research into involuntary retirement should be prioritised.

Mr Garcia also applauded the Commission’s call for a holistic approach to retirement incomes policy and the need for clear objectives for superannuation.

“AIST supports the Productivity Commission’s call for any future changes to be guided by a common set of objectives and considered as part of a holistic review – an action long called for by AIST,” said Mr Garcia.

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***AIST is the peak industry body for the \$650 billion not-for-profit super sector which includes industry, corporate and public sector funds.***