

21 May 2013

Attn: Manager
Contributions and Accumulation Unit
Personal and Retirement Income Division
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Superannuation Concessional Contributions Cap

National Seniors welcomes the opportunity to comment on the exposure draft of the legislation to implement the higher concessional superannuation contributions cap for older individuals.

National Seniors supports all increases to the concessional superannuation cap, however, National Seniors does not believe the \$35,000 cap proposed by the exposure draft is sufficient to allow older Australians to make any real improvements to the adequacy of their retirement savings. The absence of indexing to the cap applicable to those aged 60 and over does not offset the rising cost of living and thereby reduces the real value of the proposed increase to the cap.

The \$35,000 cap does not adequately recognise that many older Australians have not contributed to or received superannuation consistently throughout their working lives. Many older Australians have interrupted work histories and are still recovering from the global financial crisis. They are relying on the ability to make substantial concessional contributions late in their working lives and the proposed lower cap hampers their saving efforts.

National Seniors requests that the Government reconsider applying the previously announced \$50,000 cap for individuals age 50 and over with superannuation balances below \$500,000. The previously announced \$50,000 cap would allow older Australians to make real improvements to their retirement savings and would be targeted at those that require assistance.

National Seniors is surprised that the Government indicates that it did not legislate the \$500,000 superannuation balance threshold, based on feedback from the superannuation sector that the balance requirement would be difficult to administer, when it appears that the application of the new 15 per cent tax on retirement income above \$100,000 per annum would be equally difficult to administer.

National Seniors looks forward to working with the Government to enable older Australians to contribute towards their own retirement.

Yours sincerely



Michael O'Neill

Chief Executive Officer