

Submission on Financial System Inquiry Final Report

I refer to the Financial System Inquiry Final Report that was released on Sunday 7 December and my concerns regarding some of the Inquiry's recommendations on Superannuation.

While there exists a case to stop unlimited access to superannuation savings in a single lump sum and to ensure longevity of retirement savings The proposal to prevent people in retirement taking lump sum amounts from their superannuation and not allowing them to manage their investment savings by dumbing everyone down to having a trustee managed fund income or inflexible annuity product is extremely disrespectful to retirees as they are not financial fools and it would be quite perilous to treat them as such.

It is very important to be aware that a large number of retirees are quite capable of managing their own investments in individual account-based pensions, or part annuities if they so chose and in making decisions on lump sum withdrawals, which are absolute necessity at times for capital outgoings, family emergencies and life requirements as flexibility in retirement payment options are key to a retiree's plans and financial independence.

Any proposal for change needs to protect those existing arrangements and ensure that retirees are able to structure their superannuation savings to suit their investment and risk preferences. The proposal should also provide for genuine planning assistance at an affordable cost to those who actually need help to manage longevity of their savings in retirement.

Therefore for any change to be accepted it needs to offer far more than a single one fits all solution as that would only serve to compromise retirees' plans and financial independence and undermine trust in Superannuation frightening people away from saving for their retirement. The overall plan must maintain retirees financial independence through flexible investment and payments options if it does not then it attacks people's freedom and plans that do that are destined to fail.