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**From:** PRINS Mimi [Mimi.PRINS@Tenix.com]  
**Sent:** Wednesday, 10 May 2006 4:59 PM  
**To:** Simpler Super  
**Subject:** RE: response to comments [SEC=UNCLASSIFIED]

Thank you for your email. I appreciate your prompt and considered reply. I recognize that the proposed transitional measures go some way to alleviating the problem but not enough.

On the basis that a person aged 50 in 2006 will retire at 65 years, that only allows 15 years to provide retirement savings. Therefore it would be more equitable to extend the transitional period for 15 years until 30 June 2021. Or at the very least a 10 year transational period until 30 June 2016.

Additionally, the transitional amount should indexed, particularly since we seem to be in store for a period of increased inflation due to world oil price pressures.

In conclusion, although I still feel strongly that the 15% contributions tax continues to generate a real disincentive for retirement savings, if the proposed transitional measures were to provide for at least a 10 year transitional period until 30 June 2016 and to provide for indexation of the annual contributions amount, I would be less inclined to feel cheated of the worthwhile, genuine efforts to provide for my own retirement.

I do not wish to rely on government handouts in my retirement and nor do I wish to exist on a pittance. Just because people are older does not mean they stop spending money. If everyone were to have a real incentive to contribute to super (i.e. by the elimination of the upfront 15% contributions tax), the government's old age pensions costs would be far less than expected. Then we would not have some people worrying about how to fund the "looming old age crisis".

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