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**Re: Simplified Superannuation Paper**

I would like to make the following comments on your discussion paper.

In section 3.2.2 it states "The new minimum standards (for minimum levels of pension payments) for **pensions commencing on or after 1 July 2007** ...". In view of the preceding paragraph which specifically states that the taxation of both new and existing pensions will be identical, there is a strong implication that the new minimum levels of payment will not apply to existing pensions. I believe that the same minimum levels should apply to both new and existing pensions, for the reasons set out below.

1. The stated aim of the discussion paper is to simplify superannuation. To have two different levels of minimum payments is an unnecessary complication. It would simply perpetuate the convoluted thinking of the present superannuation system.
2. Equity considerations require that all superannuation pensioners should be treated the same. The people are the same, existing pensioners are no different from any new pensioners, and so they should all be treated the same.
3. Increased life expectancies now being experienced by existing pensioners, but required to take minimum payments based on shorter life expectancies, means that many pensioners will run out of their pensions while they still have a significant lifetime left. This is quite unsatisfactory.
4. Existing pensioners could always change to the new minimum standards by starting another superannuation fund and rolling over their pension into this fund. However this involves significant trouble and expense, with advisers, lawyers and retail funds the only beneficiaries.
5. Chart 3.1 clearly shows the more uniform payments obtainable over the life of the pension with the new payment standard. Existing pensioners should be entitled to have the benefit of this smoothing.

Yours Faithfully

  
(A.R. Timmins)

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