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## Early super to end

Expect to wait a little longer to retire, writes **Anthony Keane**

THE days of getting hold of your super by age 60 appear numbered as life expectancies put pressure on retirement nest eggs.

The superannuation preservation age, currently between 55 and 60 depending on when you were born, is sparking strong debate.

Among those calling for a higher preservation age are actuaries, the Financial Services Council and think-tank the Grattan Institute, while many in the super industry oppose the idea.

Actuaries Institute chief executive Melinda Howes says a rising superannuation preservation age is the "logical next step" for the Federal Government, which is lifting the pension age from 65 to 67 over the next decade.

"If you act now, you can do

### SUPERANNUATION PRESERVATION AGE TABLE

Date of birth	Preservation age
Before July 1, 1960	55
July 1, 1960 to June 30, 1961	56
July 1, 1961 to June 30, 1962	57
July 1, 1962 to June 30, 1963	58
July 1, 1963 to June 30, 1964	59
July 1, 1964 and onwards	60

it painlessly. Most people in their 40s now have not looked seriously at super, and the Government can do it with enough lead time so people will not be upset," she says.

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## Early super at an end

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"Just link it to life expectancy so that everyone knows it's going to go up gradually over time."

Howes says life expectancies are rising one to two years every decade and the risk is that they will rise faster than that, but she says calls to raise the superannuation preservation age to 67 or higher are "too extreme".

"That would mean there will be a lot more people on the disability pension - 75 per cent of men who go on to the full age pension come into it off the disability pension. It's because people's bodies give out."

Pauline Vamos, chief executive of the Association of Superannuation Funds of Australia, says the preservation age should stay put.

"It's important to encourage people to work longer, but raising access to the age pension and raising access to superannuation is not the answer," she says.

"People retire because they have to ... it will mean that more people will go on the disability pension."

Vamos says that a better solution is to find ways to give older workers more choices and flexibility.

"Look at training and employer discrimination among senior Australians. People talk about the 'ageing tsunami' but it's more like a slow tide. It's not a big tsunami," she says.

The average retirement age is 62, and SuperRatings managing director Jeff Bresnahan says it is "quite dangerous if you are stopping people from funding their retirement".



Actuaries Institute's Melinda Howes. Picture: Dylan Coker

"There needs to be more flexibility," Bresnahan says.

Financial strategist Theo Marinis says any move to raise the super preservation age is "short-termism".

"By all means increase the age pension age, but not the preservation age," Marinis says.

He says older Australians could work a couple of days a week as they approach 70 while accessing some of their super.

"They should be encouraged to do that," he says.

