

From:
To: [Community Affairs Committee \(SEN\)](#)
Subject: Social Services and Other Legislation Amendment Bill 2013
Date: Monday, 9 December 2013 1:19:33 PM

Dear Secretary

The proposed amendments to the social security deeming provisions as they apply to account based pensions appears to have a number of unintended consequences other than potentially saving approximately \$167 million.

In my opinion, the Government should be acting in a way as to maximise the incentives for people to build assets to fund their own retirement, whilst an action such as this will increase the 'moral hazard' for retiree's with modest asset bases, tempting them to run down their investment assets to maximise pension benefits. It appears that not enough consideration has been paid to the alternative behaviours that the proposed changes might elicit in a proportion of the retiree population.

Of particular concern, and as clearly illustrated in the Financial Planning Associations submission, is the regressive nature of the measure, in that the effects of these changes will be most keenly felt on those with smaller pension account balances - such as those retiree's who held modestly paid jobs or those of advanced years whose account balances have reduced over a significant period of time (and should really be rewarded for acting in the best intent of the legislation).

Such changes seem ill considered and might best be left for consideration in a more holistic fashion.

Yours sincerely

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