

It is common knowledge that self funded retirees consider manipulation of their superannuation holdings in order to gain at least a minimum Aged Pension purely to receive the Health Care Card and Pensioner Concession Card.

It would be prudent to include in the Australia Future Taxation System Review, a detailed investigation as to the possible savings to Government should the Health Care Card and Pensioner Concession Card be issued automatically to all self funded retirees from age 65 (currently), **who have entered into and maintain a self funded pension from superannuation holdings.**

It must be agreed that the automatic issue of the Health Care Card and Pensioner Concession Card to all self funded retirees who enter into and maintain a self funded pension would have some additional associated costs to Government, as not all self funded retirees qualify, however, such an entitlement would most definitely save Government that portion of the pension which is currently paid to self funded retirees who manipulate his/her superannuation to gain the Aged Pension for the sole purpose of attaining a Health Care Card and Pensioner Concession Card, which I would argue, would be quite significant.

The automatic issue of the Health Care Card and Pensioner Concession Card would, to self funded retirees who enter into and maintain a self funded pension, also have a lasting affect on the self funded retirees superannuation holdings, in that it would reduce the need to expend those funds on health and concessional items covered under the Health Care Card and Pensioner Concessional Card. Thus, they would have less need to make draw-downs from their superannuation holdings, providing an extension of the pension life itself. Again this would initiate long term savings for Government where a pension, that would become payable when superannuation funds run out, has the potential to last longer because of the reduced draw-downs from superannuation holdings.

I urge the committee to consider the merits of this submission, bearing in mind that the self funded retiree is a person who, by self management and discipline, has provided for his/her retirement with little to no impost on the Government.

Regards

Mr Bill Fletcher  
[removed for privacy reasons]